Nation's Business



Bankers judge dollar's soundness Senator blasts job discrimination GE's "Flip" Phillippe on teamwork

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Nation's Business

March 1968 Vol. 56 No. 3

Published by the Chamber of Commerce of the United States The national federation of organizations representing 4,750,000 companies and professional and business men Washington, D.C.

truspell WASHINGTON: A LOOK AHEAD

Count on highest inflation rate in years. Here is how the Administration is passing the buck to employers and others

EXECUTIVE TRENDS: Get rich, or go broke? 16

. Some pitfalls to avoid, if you're franchising; you can save postage by using these shortcuts; building an instant image

WASHINGTON MOOD: Can underdog find love at polls?

For a man who loves consensus, and pleasing 'em all, LBJ faces plenty of hard choices as election time draws nearer

STATE OF THE NATION: Washington's grip loosens

The pendulum is beginning to swing back from educational follies that brought confusion to the nation's public schools

RIGHT OR WRONG: Why safety laws aren't safe

Motorists may think new federal legislation aims at making the highways safer, but that's not what it zeros in on at all

How sound is your dollar?

Experts at home and abroad tell why Washington's policies relan are still posing a threat to value of the American dollar LESSONS OF LEADERSHIP: Inspiring teamwork

What is Obice Improve month? Gerald L. Phillippe, General Electric's board chairman, talks about decentralization, leadership, urban problems

Revolution in decor spreads through business

Firms now look for furnishings that reflect the individual tastes of executives, and help company build proper image

5-28 Your office costs can be cut

Here's a tried and true way to increase efficiency in your office and hold down that ever growing white-collar payroll

e most from temporary employees

They can help you avoid overtime, take care of seasonal work and aid in other ways-if you know how to use them

45 The way to end power blackouts

Electric power industry's workable plan to make blackouts a thing of the past is jeopardized by bureaucratic schemes O'null

46 BUSINESS: A LOOK AHEAD

Water desalting method adapted to food processing; moves afoot to curb government lending; bright lights boost sales

48 Our most fantastic flying machine

Amid controversy, American ingenuity has come up with the F-111, a versatile weapon that is ready for any war

56 We certainly see some silly spending

OEO, AID, DOD, FAA, as well as other federal agencies, have figured out lots of ways to shell out taxpayers' money

62 If riots erupt again . . .

Businessmen who suffered through last summer's outbreaks . offer their advice on how to cope with trouble-or avoid it

64 Expert tells how to guard your business

W. Sherman Burns, head of famed industrial security firm, tells what to do if arson and looting once more menace cities

68 Police prepare for the worst

The cop on the beat, overworked and underpaid, faces up to whatever social unrest or civil strife the future may bring

72 "There's bloodshed coming"

Black Power militant tells why Negro unrest is sweeping the country-but many moderate voices strongly disagree

76 Does Washington force racial bias?

Serious encroachments are coming in the rights of business if Equal-Employment Opportunity Commission gets its way

83 Danger signs for America's inventive genius

Borg-Warner chairman points out hazards in Administration's plan to change patent system in this age of technology

88 A saving

Businessmen are doing their utmost to end this waste of a valuable resource—and not just because it costs us billions

Cover background photo: Joel Snyder-Black Star

Nation's Business is published monthly at 1615 H St. N.W., Washington, D. C. 20006. Subscription rates: United States and possessions \$23.75 for three years; Caradian \$9 a year. Printed in U.S.A. Second class postage paid at Washington, D. C., and at additional mailing offices. © 1968 by Nation's Business—the Chamber of Commerce of the United States. All rights reserved. Nation's Business is available by subscription only. Postmaster: please send form 3579 to 1615 H Street, N.W., Washington, D. C. 20006

Editorial Headquarters—1615 H Street N. W., Washington, D. C. 20006 Advertising Headquarters—711 Third Avenue, New York, N. Y. 10017 Circulation Headquarters—1615 H Street N. W., Washington, D. C. 20006



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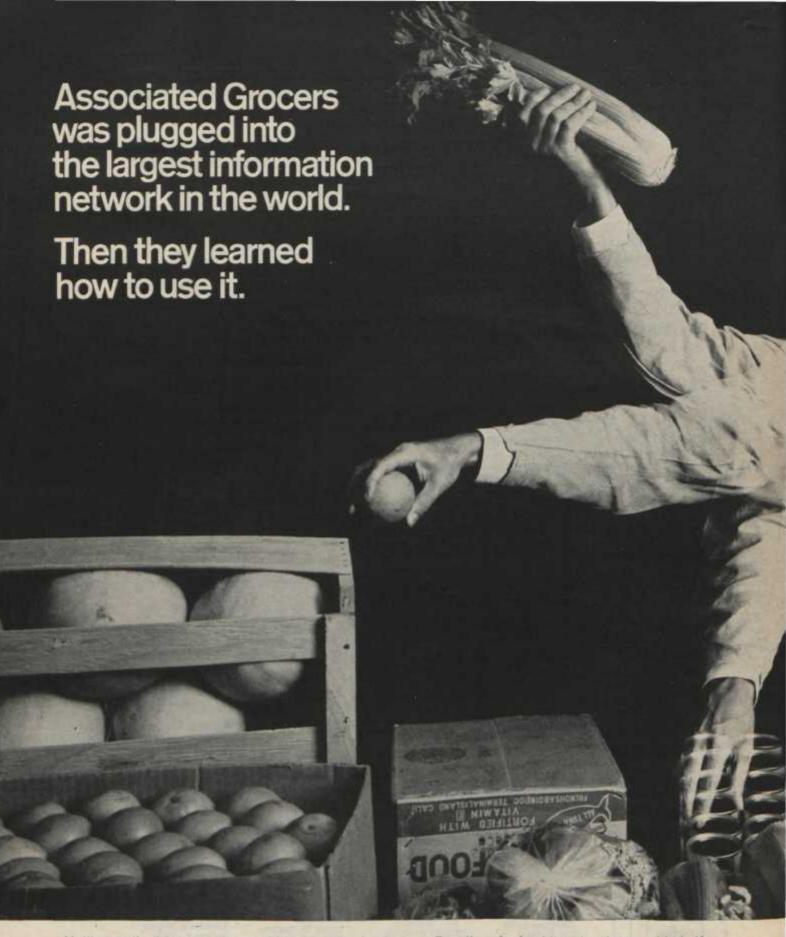
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Now they use teletypewriters to transmit orders to a central distribution center.

Result: order lead-time has been cut in half.

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WASHINGTON: A LOOK AHEAD

You could lose up to five cents on the dollar in 1968.

That's what inflation might steal out of your pockets. A heavy inflation toll now seems about as sure as March winds.

If it reaches a five per cent rate, it will be the highest since Korean War days.

Johnson Administration decisions and other factors have just about sealed in the prospect of a costly inflation spiral.

Not that the LBJ team is for inflation. They jaw against it and plead for action to block it. But they plan to go only so far.

In fact there seems a tone of fatalism that leads the Administration lemming-like toward a sea of trouble.

Listen to Lyndon:

"Neither the United States nor any other free industrial nation has yet learned how to couple steady growth at high employment with reasonable stability of prices," he said in his economic message.

Inflation, if measured by the consumer price index, hit a four per cent rate by the end of '67.

The President also claims "a highly restrictive fiscal and monetary policy could throttle the economy and create widespread unemployment and idle capacity."

So, government will hold back just a bit. And private employers and employees can exercise willpower, be statesmenlike about increases.

So goes the Administration thinking.

Even the proposed tax increase, which supposedly could hold inflation below four per cent, would be paid by us citizens.

Most of what the Administration expects to happen to stall inflation are about as likely as the prospect of President Johnson's registering to vote Republican in '68. The reasons why inflation's spiral will whirl ever faster are many:

Most important is union labor. Nurtured on a generation of government-fed privileges and immunities, unions now laugh out loud at any thought of holding back in their wage demands.

Now the Administration sees "no prospect" of slowing inflation's pace this year unless wage settlements are "appreciably lower" than in 1967. In '67, settlements averaged 5.5 per cent a year over the life of the contracts.

Even if '68 bargaining held to a 5.5 per cent increase, hourly wages would jump higher. The increases would be inherited from rises built into multiyear contracts signed earlier.

But all signs are that the unions will drive to outdo '67 victories,

The stage was set last year when LBJ named his pal, George Meany, to help arbitrate the railroad labor dispute. That made the president of the AFL-CIO the fox guarding the henhouse. The dispute panel ordered the railroads to give the unions an 11 per cent hike over two years.

Also settlements by the Teamsters (six per cent) and the Auto Workers (seven per cent). And the accent lately has been on cash instead of extra vacations or more holidays.

Unions, foreseeing ever-increasing inflation, push for more escalator clauses to raise wages as government's cost of living index goes up.

Now fretting over their control of rank-andfile workers, union leaders are out to prove they can pull the biggest strikes and land the biggest settlements ever. This attitude has been clear for months in the copper negotiations. It can also be expected to dominate negotiating this year in steel, aerospace, airlines, railroads, can manufacturing, aluminum, men's apparel and with longshoremen.

Pulling a strike nowadays gives union lead-

WASHINGTON: A LOOK AHEAD

ers nary a twinge. They know plenty of jobs are available; why not strike? The men can find another job while out on strike. And NLRB practically guarantees them the old job back when the strike ends.

How can business keep sopping up these high costs? Wages keep spurting upward, but prices are supposed to stay low.

But labor demands aren't the only fuel for inflation's fire.

The federal minimum wage hike—from \$1.40 to \$1.60 effective Feb. 1—will ripple throughout industry, put pressure on all pay.

The new social security and medicare provisions add more gasoline to the fire. This has a dual effect. It pumps more tax money into the hands of beneficiaries, at same time it cuts the take-home pay of workers, increasing wage demands, and raises cost for employers.

The new federal budget adds truckloads of kerosene to inflation's flames.

LBJ expects us to pay a 10 per cent surtax as a damper on inflation. But he still hasn't convinced Congress that he is willing to belt-tighten enough on the spending side.

The President brags about budget reductions, and intones about sacrifices and hard choices.

True, some \$12.2 billion was trimmed. But some \$26 billion was added to the new ledger.

Increases aren't all war-caused either. In fact, the largest budget increases went for Health, Education, Welfare programs.

And talk about priorities:

The controversy-riddled anti-poverty office in the new budget gets a bigger dollar increase than does the Air Force for missile procurement.

More examples of "hard choices"? Well, model cities program would get larger increases than the U. S. Army, for instance. Increases for farmers' loans will be bigger than for Atomic Energy Commission.

Consider this, too. Some of the recom-

mended cuts in the new mumbo-jumbo, especially jumbo, budget will not get Congressional okay.

Then there's the gigantic question mark of war costs. Viet Nam spending shot from \$103 million in fiscal 1965 to \$25.7 billion for the coming fiscal year. The Administration theorizes that spending will not climb as fast in the coming fiscal year. But that's about as certain as a dice toss.

Total defense spending has now almost reached the \$80 billion level of the final year of World War II.

It all adds up to a bulkier inflationary budget deficit.

Business isn't completely guiltless in the inflation spiral. Some companies are charging what the traffic will bear. But most who raise prices have to because costs have squeezed them so. And many price rises, unlike wage rises, reflect improved product or service.

Next, consider the fact that demand is high now. Manpower and capital will be more costly and tend to drive up prices.

Also people have been saving at an almost unheard of rate of over seven per cent of their incomes and would increase spending now.

This all adds up to more boom for '68.

What about wage-price controls?

They "may be necessary" only in an "all-out war," says the President's Council of Economic Advisers. One top official says anybody worrying about such controls now "must be out of his head, it just isn't in the cards."

The Administration's substitute will be the newly formed Cabinet Committee on Price Stability which will study inflation sources, encourage stable prices. But its real effect will be long range, even if it cries wolf over justified price rises.

So, with booming demands, union greed, no tax increase, even higher federal spending and deficit, there's every prospect the thief, inflation, will make a big haul in '68.

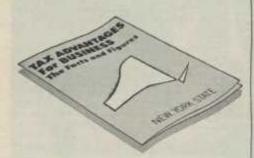


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New York State Department of Commerce

Business opinion:

Speaking out on Presidential hopefuls

To the Editor:

Nelson Rockefeller's popularity is based on his one statement: "I am not a candidate for President."

Mr. Rockefeller must realize that his popularity, and thus his influence, will suffer should he become a candidate.

Mr. Rockefeller will have more influence in years ahead, either as "the only man who could have defeated LBJ in 1968" or as the man who helped the Republican party defeat LBJ in 1968. His influence in the future, however, will be nil as "the man who ran against LBJ in 1968."

ROY V. COMEAUX, JR. Corpus Christi, Texas

To the Editor:

Thanks for writing the articles about the 1968 Presidential hopefuls [January].

They were all good, but more especially the one about George C. Wallace, former Governor of Alabama.

You are to be congratulated for this because very few if any other publication would bother to say anything about Mr. Wallace, much less anything good.

George Wallace is saying what more and more Americans want to hear. We need badly to have respect for law and order restored and to win the war that our young servicemen are fighting and dying in against the communists.

> KEN WILLIS Willis Billiard Supply Co. Concord, N.C.

To the Editor:

We would like to thank you for putting George Wallace's opinions in your magazine. We have been wanting to see his opinions printed compared to other candidates. To my mind, he makes more sense than all the rest put together.

George Wallace believes in the principles this country was found-

ed on

George Wallace is one of the finest Christian men in political life in a long time.

HOLLIS SUITER

Secretary Weakley County Citizens Council Martin, Tenn.

What LBJ thinks

To the Editor:

Whoever wrote the article "What LBJ Thinks about Businessmen Now" [December] must have had his tongue in his cheek. Surely he was not serious.

I am surprised that your magazine, ordinarily factual, with a conservative leaning, should have fallen prey to the brainwashing apparent in this article.

If LBJ has any regard for business and industry, the observers

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SOME DEALER FRANCHISES STILL OPEN

Business opinion:

from this distance have not been able to detect it.

HAROLD SHEATS Atlanta, Ga.

A consumer fights back

To the Editor:

Your article on the poor, abused businessman ["Washington: A Look Ahead," January] was too much. Perhaps, the businessman himself swallowed it, but never his wife.

She has opened canned foods and meats and found bits of wood and other unknown matter.

I witnessed four stores blown up by a faulty gas line several years ago.

My husband and I have been invited to dinners to view films on "good" land buys in Florida and Arizona.

I have been approached by vacuum-cleaner salesmen asking exhorbitant prices for a machine with the understanding "it will pay for itself" by my giving the salesman a list of my friends so he can badger them.

I have still to figure out why I pay 69 cents for a pound of potato chips when I can purchase a five to 10-lb. bag at that price—depending on the grade.

I hope all those new, distinguished Consumer Advisory Councils have a few women on them!

> MRS. JAMES DE MUYT Rome City. Ind.

How to run a meeting

To the Editor:

Duane Evans' article, "Put Punch in Your Program" [February], certainly rang the bell. I wish every program chairman of every service club or organization could read it

I once drove 20 miles on a winter night to speak to a group. The meeting started at 6:30 p.m. After the meeting there was a long discussion of group business followed, believe it or not, by a 90-minute argument as to whether the secretary should use postcards or sealed envelopes to send out notices. At 10:15 p.m., I was finally introduced. Needless to say, I cut my speech short, as there were quite a number in the audience who had 50 to 60 miles to drive to return home.

On the other hand, bless 'em, I remember speaking to a women's group in the same town. I was welcomed by the chairman and several other members. We had an excellent dinner. The chairman then got up and said that I probably wouldn't

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Shop around. Compare the 9010 to tape-letter machines costing two or three times as much. You'll find

that half a machine is better than one.

For a demonstration of the 9010 Tape Machine by Friden, call your nearest Friden office. Or just write Friden, Inc., San Leandro, California 94577. Sales and service throughout the world.



Business opinion:

be interested in their routine business and that as I had driven 20 miles to speak to them, I could speak first and then I would be excused.

> HERBERT JENKINS Information Officer Public Utility District of Grant County Eporata, Wash.

An idea for mankind

To the Editor:

Just read with considerable interest, "So You Think You're Indispensable" [December]. Not that I think I could or would use Mr. Williamson's method in my business, but because of the exciting thought that an intern could bring the observations of our foremost surgeons to the operating table or the inexperienced teacher could have at her fingertips the techniques of our leading educators.

Mr. Williamson's system appears to be just the thing which some foundation should develop for the enlightenment and good of mankind.

> W. L. BUSH Gretna, La.

Superior gets veto

To the Editor:

Re your article "You Can Hold a Good Man Down" [December].

Egad! Positively the least likely candidate to do a review (of an employee's work) would be the immediate superior of any key member of the organization he heads. This type of nonthinking is, above all else, the reason "you can hold a good man down."

The head of each unit will not, and cannot, evaluate without bias the quality of key members under him.

The negative aspects entering into this type of review are so numerous they stagger the imagination.

DONALD W. STORER Minml, Fla.

Executive talent

To the Editor:

Re: "Why Top Executives Change Jobs" [February].

The executive recruiter asks the candidate many questions to determine his qualifications.

It might be interesting to know what answers he gives to the candidate who asks why, with thousands of people on their payroll, these giants of industry have failed to develop top executive talent.

T. R. LUKER Overland Park, Kans.

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Executive Trends

- · Learn now, pay later
- Cutting postage costs
- These franchise offers

Like to save a little dough?

Your postage bill may run 20 to 25 per cent higher this year—due to recent hikes. But you can cut mailroom costs, Pitney-Bowes, Inc., Stamford, Conn., says. Here are a few of the shortcuts it suggests:

- Put two or more letters to the same firm in one envelope. Sent separately, two seven-ounce airmail letters take \$1.40 postage. Sent together, only 80 cents.
- Over the weekend, to cities only a few hundred miles away, send mail first-class, not airmail.
 Both will get there by Monday.
- Don't use special delivery to cities that first-class mail reaches overnight. Often, the regular carrier will deliver your first-class letter before the special delivery carrier arrives.

And be sure to weigh all letters and parcels on an accurate postal scale. At new rates, every overpayment costs more.

College on the cuff

"There's only one reason why most American families don't own an elephant.

"No one ever offered them one for \$1 down-and \$1 a week."

That well-worn quip contains more than a germ of truth. Credit is more and more a part of the American way of life.

United Student Aid Funds, Inc., uses it to put college within nearly everyone's grasp.

This private, nonprofit corporation has backed more than \$105 million in loans to 163,000 college students.

They repay the money after they're out of school.

Home-town banks usually make the loans. More than half the nation's commercial banks—plus hundreds of savings and loan associations, credit unions and insurance companies—extend loans that USAF backs.

"Not only kids from poor families are eligible," Allen D. Marshall, USAF president, explains.

"Even executives in the \$15,000 income bracket and up sometimes find it hard to pay the way for one or more children of college age."

USAF was launched in 1960 by a group of businessmen, educators and philanthropists—"to solve a social need without recourse to government."

Borrowers get not only a loan, but advice on the wise use of credit. Seems to soak in. Less than 1.6 per cent of USAF loans go sour.

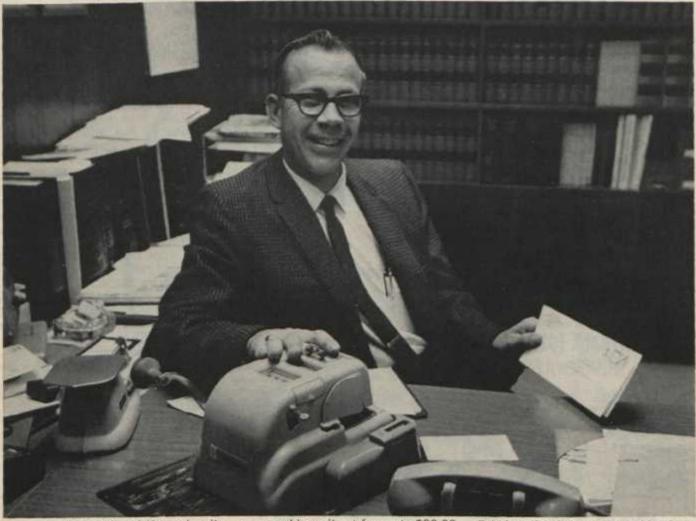
Get rich, or go broke?

John Jones, ex-national salesmanager for a major U. S. cosmetic maker, was doing fine. He had a cozy Manhattan apartment, a bright future and a fat bank account.

So he quit his job of \$38,000 a year plus bonus, scraped up \$46,500 and sank it into a hamburger franchise.

Now-he's making \$50,000 a year. Franchiser files are full of success stories. McDonald's Systems, Inc., says at least a dozen of its franchise holders became millionaires. But Better Business Bureau's

WHY JOHN MURPHY USES A PITNEY-BOWES POSTAGE METER TO PRINT JUST \$10 OF POSTAGE A MONTH.



In the middle of Kentucky sits Liberty, the county seat of Casey County. From two small rooms off the town's main street, John Murphy, Jr., practices law. John's known as a trend-setter in town. He was the first businessman to buy an electric typewriter and one of the first to rent our desk model meter (to date, our meter's in 25% of the businesses in town).

With a growing practice and shrinking time to serve his clients, John needed no prodding to put our meter to work. In his words, "Any time I can save time, I save money." Instead of making dozens of trips to the Post Office, he can take the meter there

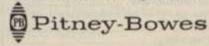
once and have it set for up to \$99.99 in postage (about ten months' worth for John). With all the postage he needs in the meter in his office, he can work as late as he has to and mail the night's work that night.

Tax times are John's busiest months. Since most of his clients are farmers and file several types of returns, weights of the mailings vary, costing 6 to 18 cents to mail. He often mails the returns himself so his clients "won't have to make that walk up the street on top of everything else." To get an accurate reading on what each mailing will cost, he weighs it on one of our Model 4900 letter scales, then

dials just the right postage and prints it with the meter. "When I drop the mail in the box, I know the postage is right. The meter dates the mail, too, which can save a penalty payment when you're pushing a deadline."

John's secretary, Juanita Delp, likes the meter for a much more basic reason: "It certainly is better than licking stamps."

Whatever your reason for wanting a meter, we'd like to hear it. Maybe we can give you a few more reasons why you should be using one now.



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ors. (No salesman will call).

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EXECUTIVE TRENDS continued

files have their share of franchise flops, too.

How can you tell if a franchise offer is a chance to get rich, or go broke? Here are some points to check:

· What's the franchiser's reputation and credit rating?

· What's the franchise's true cost?

· How long has the product, or service, been on the market? Is there much competition?

Is it a staple or luxury item?

What territory is offered?

· Will the company train you and offer continuous help?

· Will you be able to buy from the franchiser at fair prices?

· Are new roads or highways on the drawing board that would destroy the value of your location?

Answers to these queries and others posed in "A Guide to Franchise Investigation and Contract Negotiation," Pilot Books, New York, 10001, may help you make a wiser decision.

Art exhibit builds image

"Circle F Industries?

"Sorry, never heard of 'em."

Too often, that was the story in Trenton, N. J.

Circle F's well and favorably known now the company says. The electrical manufacturer sponsored an art exhibit at the New Jersey State Museum that drew 400,000 visitors-and reams of local press publicity.

Many community art lovers wrote the firm praising the show.

"We're Trenton's biggest employer," Edward A. Ring, Circle F president and board chairman, says, "but the public hardly knew us.

"Now we're part of the family, and looked on as a progressive and public-spirited corporate citizen."

Worthwhile for other mediumsize companies in search of an identity?

"You bet," he says.

The real gap in Europe

It's a misnomer-Europe's much publicized "technology gap."

Cryogenics and holography, to mention just a few of today's exotic technologies, originated in Europe. Major advances in lasers and fluidics were made there.

But, John Diebold, president, The Diebold Group, Inc., New York, points out, they were developed, applied and marketed by U.S. firms.

What Europe has, he says, is a management gap.

And what's worse, he predicts, it'll get worse.

That is, unless Europe provides more management training, and a freer climate for managers to operate in.

Six rules for job-switching

"Many a young executive gives more thought to buying a new boat —than to taking a new job.

"They leap before they look." Charles E. Fox, Billington, Fox & Ellis, Inc., Chicago executive recruiters, savs.

Here are questions you should ask yourself before switching jobs. he adds:

· What do you really want from the job-security, income, prestige, professional growth?

· What does the new company

expect of you?

· Have you met all the key people you'll work with-and made sure they're interesting and dependable?

· Is the company's executive turnover high?

Is its future sound?

· Is its guiding philosophy the same as yours?

"Don't hesitate to check out a job offer thoroughly," Mr. Fox adds.

"If you're tactful, management will respect your businesslike attitude-and expect the same performance on the job."

Executive lexicon

Up to date on your executive vocabulary?

If not, here's some newly minted jargon-with definitions-to add to

Coordinator: An executive with a desk between two expediters.

For your approval: Passing the buck to you.

For your comment: I haven't the faintest idea myself.

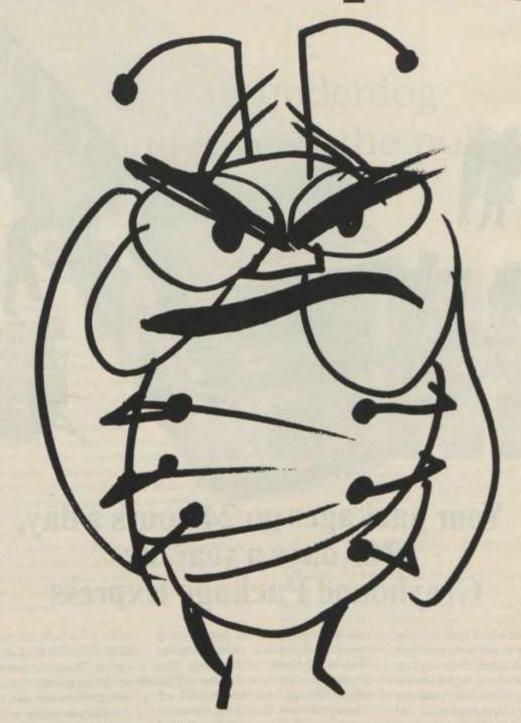
For your consideration: You hold the bag a while.

For your file: I seem to have an extra copy.

Implement a program: Hire more people and expand the office.

And then there's "orientation," meaning: Move around until we find something for you to do.

The Grump Bug.



If an Avis girl catches it, we want to know. It's the worst bug of all.

Blame this bug for squabbles at rent a car counters. Fortunately he doesn't bug us very much at Avis. No matter what happens, our girls try to grin and bear it. And treat you nice.

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make your next shipment, remember GPX. Ship C.O.D., Collect, Prepaid, or open a Charge Account. Extra savings on lot shipments also available. For information on service, rates and routes, call Greyhound or write: Greyhound Package Express, Dept. 1-C, 10 South Riverside Plaza, Chicago, Ill. 60606.

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Buses Daily	Running Time	20 lbs.	30 lbs.	40 lbs.*
32	1 hr. 40 min.	\$1.40	\$1.60	\$1.80
14	3 hrs. 15 min.	2.05	2.35	2.70
12	2 hrs. 45 min.	2.00	2.25	2.65
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One of a series of messages depicting another growing service of The Greyhound Corporation.)

TRENDS: WASHINGTON MOOD

Can an underdog find love at the polls?

BY PETER LISAGOR

It's probably the beginning of wisdom when a President finally learns, in a twist on Lincoln's famous dictum about fooling folks, that you can't please all of the people all of the time.

President Johnson made a good stab at it in his consensus approach to politics and government. But war, inflation, racial unrest, urban decay, and other thorny problems have forced him to make what he calls in his budget message "a series of difficult choices." Toes had to be stepped on. Even those Mr. Johnson sought to please felt short-changed.

The President hasn't abandoned his desire to embrace as many voters as possible within the broad bosom of consensus. But crises narrow the area for consensus politics, and when he tried to set priorities on what the federal government can or cannot do, he was bound to increase the numbers of discontented and disappointed.

This was especially hard for a man entering a tough re-election campaign. For him to say, "we cannot do everything we would wish to do," is alien to his deepest political instincts. He is, in many ways, besieged by paradoxes.

. . .

For example, in the 1964 campaign, he spoke of being "a lover, not a hater." Now he talks about the need for more FBI agents and policemen on the streets, and if what he is being told by the Cassandras of the cities is right, he must brace himself for a riotous summer which may do more to determine the outcome of the election than any other single issue, the war included.

Other paradoxes assail him. He can't boast about prosperity without drawing skeptical sneers, for at the same time he is desperately seeking a tax increase. His relations with business are exceptional for a Democratic President, and yet he has had to limit business investments overseas to prop up the dollar. He has had to strain his relations with both business THE THE PARTY OF T





With George Wallace on his right and Eugene Mc-Carthy on his left, LBJ hugs political middle ground.

and labor by appealing for voluntary restraints on wages and prices.

In 1964 he won by an overwhelming majority; yet today many in his own party would like to see him scuttled. Viet Nam is at the center of their dissent, but other things disturb them, not the least his apparent inability to play the role of the High Priest in which he would lift the American people to that plateau of native optimism that suits them best. Because it has a hollow ring in the current atmosphere, his Administration's label, "the Great Society," has been dropped.

If anything consoles him, it is that his potential opponent among the Republicans must produce convincing alternatives and try to dislodge him from the middle ground of American politics to which he clings with a Marine's tenacity. This the Republicans understand. So do those in his own party who think he is vulnerable.

Sen. Robert F. Kennedy, the New York Democrat, has removed himself as a possible challenger to the President, recognizing the disruptive and futile consequences of an open fight for the nomination. Kennedy is nothing if not a political realist, and despite the urging of the Democratic dissidents, he was not

Mr. Lisagor is the White House correspondent for The Chicago Daily News.

TRENDS: WASHINGTON MOOD

about to take on the role of a Kamikaze pilot, shattering his own future prospects and inviting the defeat of Democratic Senatorial candidates for re-election who will need all the party unity they can summon to survive this November.

The one man who has taken on the President, Minnesota's Sen. Eugene McCarthy, has found himself leading an inconspicuous Gideon's army. McCarthy has struck no sparks, and the reason may well go beyond his own lack of magnetism. Some experts simply doubt that opposition to the war, on which McCarthy has based his main appeal, is as widespread and deep as the parochial pulse-takers in Washington believe.

Washington tends to judge the nation's temperature by the thermometer in its own mouth. Thus, the temptation is to believe that the fevers here afflict those in Kansas, California, Kentucky and the Carolinas, that when a Congressman rises in righteous anger to denounce the President he speaks for a specified number of similarly outraged citizens. It isn't always the case.

. . .

The boundaries of consensus have dwindled for Mr. Johnson. But he may prove to be the beneficiary of the criticism coming from the widening areas on the right and on the left. Alabama's former Governor, George Wallace, firing salvoes from the right, will, by most political calculations, strengthen the President's middle position with those who shrink from the extremes. Unless McCarthy takes flight soon, the left appears bereft of a powerful spokesman who can cut into that middle. "The more McCarthy and Wallace attack the President, the better off he is," says one reputable political analyst who believes that the American electorate will reject any but a middle-ground candidate.

Of course, the Republicans feel they can nominate a man of the middle who can exploit the President's weaknesses. The belief that LBJ has been less than candid with the people and has deluded them with stratagems is deeply felt within the G.O.P. They will confront him with the charge that he has flunked the tests he applied to himself in 1964 of peace abroad and unity at home. And they will try to develop a consensus of their own behind the proposition that only another man can untangle the snarls and avoid the snares at home and abroad.

. . .

The resources of the incumbent in the White House, however, sometimes seem unlimited. Not the least of them is the capacity to elicit sympathy for all the burdens he bears. Mr. Johnson is a master at this. Not long ago he conceded that history may record that he and his military commanders may have made serious mistakes in Viet Nam, but added that "we are just acting in the light of the information we have." He sometimes puts it another way, "I am the only President you've got" and "I'm doing my dead-

level best." The underdog psychology is alluring to most Americans. Some Administration sources firmly believe that Mr. Johnson's fortunes took an upturn in the public opinion polls as a result of the anti-war demonstrations at the Pentagon. The rowdy actions of the dissenters, going beyond the limits of orderly protests, evoked sympathy for the President. So, in the judgment of many political experts, has Eugene McCarthy's campaign to unseat him.

As President, a man can influence or control not only the news coming out of his Administration but also the news events. What he does or does not do can help mightily to shape events, and this is a power of which Mr. Johnson is acutely sensitive. He can be expected to exercise it with skill, with a steady eye on November.

He also has within his power the capacity to answer the charge that his Administration is weary and dispirited by appointing a fresh team of advisers. He already has a good start in that direction with the departure of Defense Secretary Robert S. McNamara and Health, Education and Welfare Secretary John W. Gardner, with others chafing to leave. Several of his sub-Cabinet advisers also have resigned, and others are waiting to go.

. . .

President Franklin D. Roosevelt decided before bidding for a third term in 1940 to invigorate his Administration with two fresh faces, and astutely persuaded a pair of prominent Republicans to accept Cabinet posts. He appointed Henry L. Stimson as Secretary of War and Frank Knox as Secretary of Navy.

It has been suggested that President Johnson might follow that precedent, however transparent it may be, in order to promote national unity. It might be a way for him to repair the breach in the consensus he prizes, and to disarm some of the criticism he faces.

It is risky to anticipate Mr. Johnson, but the greater likelihood is that he will be forced to find his fresh faces from among those already in government or with whom he is familiar and on good terms. Presidents who have been in power for some time during a period of adversity incline to narrow, not broaden, their circle of advisers. They grow suspicious in office, especially when beleaguered, and normally turn to old cronies or men with whom they have had prior relationships.

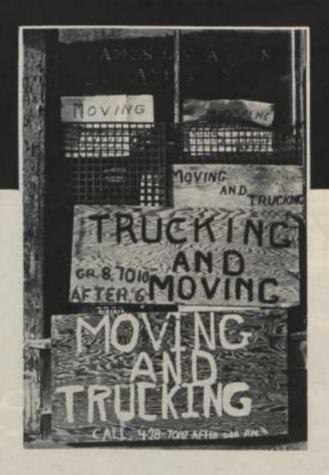
In LBJ's case, moreover, it would be difficult to lure men of experience and prestige into the Cabinet because of his vulnerability. Not many men can be anxious to divest themselves of their corporate holdings in order to avoid a conflict of interest on the chance that they might be serving only until Jan. 20, 1969.

If the President has accepted the fact that he can't please everybody, and if he has decided that an underdog strategy is not without value, he might well echo the sentiments of Abraham Lincoln who wrote to a friend in 1863:

"I have endured a great deal of ridicule without much malice; and have received a great deal of kindness, not quite free from ridicule. I am used to it."

That, too, would be the beginning of wisdom.

If your sign isn't saying what you want it to, it could be saying what you don't want it to.



Your sign could be hurting you plenty if it's giving prospective customers the wrong impression about your business. They may be going right by your door because your sign just plain turns them off. When this happens, you lose your chance to convert prospects into customers ... and profit. You may not even realize such a thing is happening. But there's an easy way to find out.

Step outside. Take a good, objective look at your sign. Ask your-

self these questions:

Can people see it close up? Can they see it at a distance? Does it tell people who you are and what business you're in?

Does it make people feel welcome? Does it reflect the image that you want to convey about your business?

Is it just as bright and attractive at night as it is during the day?

After you've answered these questions, you may feel your business could benefit from a better sign. If so, we invite you to send for "The Guide to Better Signs," an informative booklet we've just published at American Cyanamid Company.

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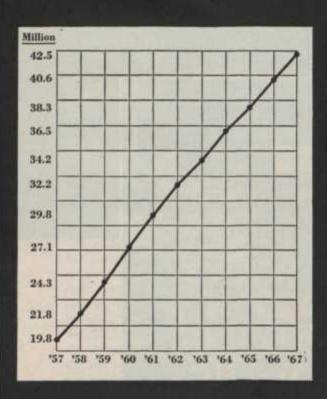
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TRENDS: THE STATE OF THE NATION

Where Washington's grip begins to loosen

BY FELIX MORLEY

The unexpected resignation of Dr. John W. Gardner, the very able Secretary of the Department of Health, Education and Welfare, draws well-merited attention to the extreme confusion in public education throughout the United States today.

It was primarily to bring order out of chaos in this field that Dr. Gardner came to HEW from the presidency of the Carnegie Foundation, less than three years ago. The public health services of the nation are in excellent shape. Public welfare may be wasteful but cannot be called demoralized. Public education, however, is in some areas in a condition sufficiently anarchic to be utterly frustrating to any administrator with overriding responsibility in the subject.

As one illustration may be cited the current request of the New York superintendent of schools for the assignment of armed guards to schools in that city, where last year there were 223 physical assaults by pupils and parents on school personnel.

Violence, vandalism and vice in the nation's schools are to some extent a reflection of the social deterioration that grips the country as a whole. But these conditions within our educational system are fundamentally more disturbing than sporadic crime and rioting in the streets. In recent years far more money has been spent in fostering education than in eliminating slums, so better results should be expected. And since much of the crime springs from juvenile delinquency, it is properly asked why the schools seemingly do so little to curb incipient criminality.

It is no mere coincidence that the onset of educational decay corresponds closely with the centralization of educational authority. Until about 15 years ago, the control of schooling still rested almost exclusively in the local community. Public education was good when the school district wanted it to be good, and was willing and able to pay the price. It was indifferent, or poor, when the locality was that

way. But nowhere was there the degree of demoralization that is so apparent today.

Then two wholly different events produced the same centralizing consequence. The Russians lifted their first Sputnik, giving dramatic evidence of their scientific and technical efficiency. And the Supreme Court banned segregation in the public schools.

In both cases the result was to promote federal intervention in the field of education. Sputnik suggested that technological training should be stepped





Rebellious mood of students is matched by teachers' growing militancy, evidenced by strikes and walkouts.

up under centralized direction as a part of national defense. Integration required federal aid, "guidelines" and pressure, even to the use of armed force, to secure compliance in some localities.

There was little apparent realization that the two problems could not possibly be solved by identical bureaucratic techniques. Scientific excellence demands the most careful screening of those possessing this competence, and then individualized instruction to push them to capacity. Integration demands amalgamation of the advanced and the backward, with special attention for the latter which necessarily means neglect of the brilliant.

This contradictory situation was well illustrated

Dr. Morley is a Pulitzer Prize-winning former newspaper editor and college president.

TRENDS: STATE OF THE NATION

when Circuit Judge J. Skelly Wright decreed last year that the track system in the District of Columbia schools was somehow a violation of Negro constitutional rights, and ordered discontinuation of this effort to group students according to intellectual ability. Simultaneously HEW was encouraging such proof of individual capacity by furnishing generous scholarships for those who can demonstrate it in school.

Indeed federal intervention, while demoralizing the old system of local control, has completely failed to introduce any substitute philosophy of education. Washington has poured out money to furnish free meals, improve school buildings, provide textbooks and encourage the bussing of children from pillar to post, merely to achieve some sort of arithmetical color balance. This, in turn, has led to advocacy of "educational parks," where children can be concentrated in thousands and processed on mass production lines. But all this has nothing to do with the simple secret of successful education, which is a harmonious teacher-pupil relationship, unfettered by top-heavy administration.

. . .

Although the pay of teachers has properly been pushed up to respectable levels, there is much malaise in the profession. All over the country schools are understaffed and in many cases even stereotyped qualification is no longer demanded. A California school district is currently seeking to recruit teachers in England, which is better for the balance-of-payments problem than for instruction in American government. The professional disillusion is well expressed in Bel Kaufman's "Up the Down Staircase," which has a real bite beneath its comedy. Close to the Capitol a Maryland teachers' union last month demanded continued salaries for its striking members.

The rebellious attitude of many pupils is now matched by a growing teacher militancy, exhibited by outright strikes and "sanctions" which are much the same thing under a nicer name. Certainly the intrusion of federal authority in public education has not improved morale, either for teachers, pupils or parents whose anxiety over the schooling of their children is manifest in many ways. And the resignation of Secretary Gardner strongly suggests that he sees no solution through the activities of HEW.

At this unhappy juncture come two indications that the educational pendulum may be swinging back from the extreme of federal intervention towards which it has been pointing. One, which is negative, is the relative restraint on educational expenditure in the pending budget, itself foreshadowed by the slight attention paid to the subject by the President in his State-of-the-Union Message. Maybe the mounting pressure for economy accounts for this unwonted hesitancy. Maybe it is the dubious return from past extravagance. In either case the tempering of Executive omniscience in the field of education is hopeful.

A more positive sign is the outspoken advocacy of "community schools" in New York City as found in the advisory report made for Mayor Lindsay by a committee under the chairmanship of McGeorge Bundy, of the Ford Foundation. As the phrase suggests, community schools are the exact opposite of educational parks. The former would emphasize the responsibility of the individual school, large or small, to its own neighborhood, regardless of the racial characteristics. Each school district would be largely autonomous, with a majority of its board elected by parents of pupils and these boards would have full administrative authority. But expenditure per pupil would be as high in a poor as in a wealthy district.

It is ironic that the Bundy Report practically overlooks the once burning issue of integration. Commenting on the report, in a recent issue of *The New Republic*, Mr. Joseph Featherstone quaintly says: "the idea has arisen that schools run by black people for black people might be a good thing." Of course this was precisely the idea behind the "separate but equal" arrangement which was outlawed by the Supreme Court as being "inherently discriminatory."

Certainly there will be resistance to letting the educational pendulum swing back to the old system of local control. It has been much easier, in recent years, to get money from Washington than from the agencies of local government. The National Education Association, perhaps anticipating the issue, has announced that it will pressure this session of Congress for a special \$6 billion federal program. But the President, in his subsequent message to Congress and in his budget, ignored the gambit.

. . .

In an interesting manner the community college development is working for the recovery of local control in education. These are essentially local undertakings, receiving little or no direct federal subsidization. They admit all allegedly qualified high school graduates in their area, but subsequently drop those unable to make the grade for the two-year college course. This procedure may seem insufficiently restrictive, but it is exercising a salutary pressure on the public schools to improve the quality of their instruction and the accuracy of their grading. No high school wishes to be revealed as one which graduates large numbers incompetent for college work. And if it does so, the local community will ask questions more pointed than those shaped by the Washington bureaucracy.

So the role of HEW in the control of public education seems to be diminishing, while that of the localities is staging something of a comeback. Secretary Gardner, of course, has not said that this is the reason for his resignation. But his decision to work as a private consultant, away from Washington, symbolizes a turn in the tide of education.

Probably it would not have turned against ever greater federal control, if our foreign entanglements were not forcing at least some pruning of domestic extravagance.

The ill wind from Asia can have a beneficial side, if it blows away the absurd belief that education can be improved by taking its direction further and further away from the community schools and the homes they seek to serve.

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TRENDS: RIGHT OR WRONG

Why safety laws aren't safe

BY ALDEN H. SYPHER

One of the most distinguished gatherings of lawyers ever assembled in this country is in the midst of a two-year study of the standards, ethics and conflicts of interest of members of the United States Congress.

"A discernible crisis of confidence in the legislative process" is the cause of the inquiry. This crisis brought a \$160,000 grant from the Ford Foundation to finance the study, which is under the direction of the Association of the Bar of the City of New York.

Such outstanding men as Samuel I. Rosenman, former special counsel to Presidents Franklin D. Roosevelt and Harry S. Truman, and David W. Kendall, general counsel for the Chrysler Corp. and former special counsel to President Dwight D. Eisenhower, serve on the committee.

A suggestion that could supplement the work of this study group comes from England, which gave this nation its background in law as well as in representative government.

For there is at least one weakness in the present approach. The inquiry seems to be limited more or less to the moral climate in which Congressmen deliberate.

In other words, how much money (if any) influences the passage or rejection of proposed laws, who gets it, and how?

This purpose has obvious importance. But an even more useful product of such distinguished men might include also an evaluation of the laws enacted by Congress.

Are these laws as useful, beneficial, or as necessary as their sponsors promised? Are the costs anywhere near those proposed? Is a specific law having the intended effect? At what cost? Should it be repealed?

. . .

For example, how beneficial to the American people are the new automobile safety laws, and the or-

Mr. Sypher, a lifelong journalist, is the former editor and publisher of NATION'S BUSINESS.

ganization set up to expand regulations and carry them out?

Are they worth the \$1 billion a year they are costing the American people in added—but often unused—equipment on automobiles alone?



Washington's new auto safety rules cost \$1 billion a year, but haven't brought fewer deaths or accidents.

They would be beyond debate if they were saving lives in impressive numbers. But there's no solid indication they are.

They might be worth their cost if they were materially reducing the \$1 billion a month cost of collisions in auto damages, loss of wages and medical expenses.

But try as he must Dr. William Haddon Jr., administrator of the National Highway Safety Agency, has not come up with convincing figures to show improvement.

The fact is the entire program as presently conceived is not designed primarily to reduce the number of accidents.

Its main thrust, except for the elimination of some of the booby traps built into the federal highway system, is to make more comfortable the persons involved in the accidents that do occur.

Thus the concentration on lap belts, cross-shoul-

TRENDS: RIGHT OR WRONG

der harnesses, interior padding, collapsible steering columns and the elimination of projections.

None of these major points in the safety program is even aimed at reducing the number of accidents, but only to make them less injurious.

So don't expect too much from the federal safety program. You won't get much safety—you might get less than you've had.

. . .

Dr. Haddon has indicated he is convinced that persons thoroughly belted into a hurtling automobile with lap and cross-shoulder harness can escape death in accidents at speeds up to 60 miles an hour.

His conclusion is based on statistics assembled in Sweden. Only one in three automobile passengers or drivers equipped with safety belts uses them in this country, and very few use shoulder harness.

Since it is possible now to avoid death at 60, how about 80, or even 100 in the future?

He could not make predictions, Dr. Haddon said. The problem is that violence on impact goes up at a rapidly increasing rate.

"Let's see, a crash at 80 would be four times as violent as one at 40," he said. "And 90 is five times as violent as 40."

With the restraint befitting a man whose responsibility is to saye lives, he added:

"We would like to see cars built so that they cannot exceed a certain speed, say, for example, 80 miles an hour."

Sixty must be a temptation now to pot-inspired adolescents, the emotionally immature and those with a few drinks under their harness, now that they have federal advice that they might walk away from just about anything that might happen at that speed.

If they have straps on, that is. There's very little hope for those they hit, unless they, too, are prepared under federal standards for a crash at 60.

In the politicians' continuing search for accident causes other than drivers, Sen. Gaylord Nelson, Democrat of Wisconsin, cast suspicion on tires as the Wisconsin Assembly killed a highway safety bill that included provision for mandatory test of drivers suspected of being drunk.

Assemblymen said it would violate the motorists' constitutional rights.

The sponsor of a bill to prohibit the sale of alcoholic beverages in service stations told the Board of Aldermen of the City of St. Louis that such sales encourage, create and increase the danger of persons drinking while driving "thereby seriously affecting safety on our streets and highways."

The aldermen rejected the bill.

The sponsor is expert in the field. He is Raymond Harris, St. Louis County coroner.

. . .

The West Virginia Motor Vehicles Department revoked the license of a driver receiving state aid for the blind, and in New York the East Hudson Parkway Authority said that barriers built to separate oncoming flows of traffic had practically eliminated head-on collisions.

And a federal official said that fewer than half the states have auto inspection requirements, and only four of those that do are worthwhile.

Around the world much more effective and much less expensive ways were being found to reduce death on the highways.

In neighboring British Columbia policemen were authorized to suspend the license of any driver whose breath indicates the slightest trace of liquor, and to hold the license for the length of time the driver's ability might be impaired.

In Russia a driver who causes injury is charged under the criminal code. Punishment ranges from one year imprisonment if the injury is minor, to 10 years if it is serious. Drunken driving brings the maximum. It is not a serious problem in Russia.

The number of fatal or injurious accidents in England between 10 p.m. and 1 a.m. dropped by 41.9 per cent during one month after introduction of the Breathalyzer test. On a four-day holiday period, traffic deaths dropped from 136 a year earlier to 86—a drop of more than 36 per cent.

Breathalyzer is a device that measures alcohol content of the breath of drivers picked at random by traffic policemen anywhere in England.

Presence of a predetermined amount of alcohol brings more positive tests at the nearest police station. If evidence of drinking sufficient to impair driving ability is found, the driver is subject on conviction to a fine of \$240, or four months imprisonment, or both—plus the automatic loss of driving privileges for a year.

All of which appears to have had a sobering effect on England's drivers.

. . .

The principal cause of highway death has not been unknown in this country. Dr. Haddon has said drinking is involved in at least half our traffic fatalities. And Stanford Research Institute's findings that canceling 20 per cent of our drivers' licenses would result in an 80 per cent drop in accidents only highlighted what was already generally known.

Which does cause some to wonder why, and under what conditions, this country got highway safety laws that overlook the main cause of fatalities and concentrate instead on ways to make crashes more comfortable.

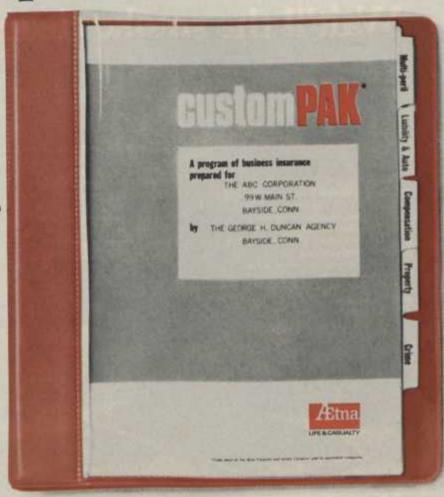
Perhaps the distinguished lawyers who are looking into the standards of our Congressmen will look also into their habits.

As English innkeeper Keith Ball said: "We are told that having 80 milligrams of alcohol in 100 milliliters of blood impairs one's (driving) judgment.

"If that is so we should apply the same test to our legislators before they get up and take charge of the country."

Of course, Congress itself would have to approve such a test in this country. But in looking over their legislative record, there's a chance that a majority of the Congressmen might welcome a chance to prove they were sober when they made it. Starting with this page, your business

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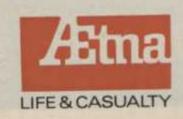
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But we don't expect it to last long. ... the Plymouth win-you-over beat goes on.



HOW SOUND IS YOUR DOLLAR?

Answers from world bankers tell what still must be done

Bankers around the world are worried that America isn't doing more to close our balance of payments gap.

Fear is widespread that our spending is too high, wide and handsome and that U. S. inflation is swelling the international payments deficit.

In a poll of prominent bankers both in America and abroad, Nation's Business also found near unanimous approval of the Johnson Administration's proposal to remove the partial gold backing for Federal Reserve notes. The idea is to have more gold to meet international obligations.

Only a trace of suspicion persists that the United States may devalue the dollar. If we can balance our international payments, most bankers predict favorable world reaction in spite of tough adjustments for some countries.

All in all, bankers indicate that today's dollar is still sound, or sound as we have "the will to make it," as one finance official puts it.

Through the bankers' cautious, formal replies you detect a tone of grave concern over our currency and over government policies that have life and death influence on the dollar.

Certainly international payment deficits—more dollars going abroad than coming home—sap our economic well-being.

In only one year since 1949 has our balance of payments been in the plus column.

Foreigners now hold about \$30

billion of our money.

Chronic payments deficits forced Britain to devalue the pound last November. This touched off a gold rush against the United States as foreign speculators switched dollars for gold. As our own international payments balance dipped farther into the red, the Johnson Administration announced a five-point program to bolster the buck.

The aim was to pick up about \$3 billion by restricting business investment abroad, tightening foreign lending, discouraging travel abroad, trimming government expenditures overseas and boosting our trade surplus. These steps would be coupled with a surtax on incomes to fight inflation at home.

But is this enough and are these

the right moves?

Many describe the Administration's plan to help build more muscle in the now flabby dollar as shortsighted. Some consider it a giant stride toward economic control of private businesses and individuals. Some think the Administration moves are naive. How can we expect other countries to buy more U. S. corporate and Treasury securities while we cut investment overseas? How do we get more foreigners to come here while we try to keep Americans off the tour ships and planes? How do we expect other nations to import more of our high-cost goods and export less

U. S. corporations with international operations are seeing red over some of the new constrictions on investment. This is particularly true of those companies which have been cooperating most with the voluntary investment restraint program for the past two years. The new rules discriminate against these companies, compared with businesses that have ignored the voluntary program, have sent dollars abroad in a steady stream and repatriated nothing.

Bankers who were asked what more needs to be done to narrow the U. S. payments deficit suggested a variety of approaches.

Baron Hans Christoph Tucher, general manager of Bayerische Vereinsbank, Munich, told Nation's Business that the "U. S. world position requires a long-range program to create export-mindedness."

Yoshizane Iwasa, chairman of the board and president of The Fuji Bank, Ltd., Tokyo, advises that we need to "check inflationary trends

in prices and wages."

Gustav Glueck, managing director of Dresdner Bank AG, Frankfurt on the Main, agrees, C. F. Karsten, managing director, Amsterdam-Rotterdam Bank N.V. recommends "improvement" in our monetary and fiscal situation.

Others, such as Svend O. Sørensen, general manager, Den Danske Landmandsbank, Copenhagen, caution, "The results of the President's measures including their effect on other countries must first be seen."

E. J. W. Hellmuth, director and deputy chief general manager, Midland Bank, Ltd. of London, says he would "welcome further measures

MARSIER PRESERVOTO-BLACK STAN



Den Danske Landmandsbank's Mr. Sørensen of Copenhagen

HOW SOUND IS YOUR DOLLAR? continued

to extend international liquidity."
Reasoned suggestions come from some of America's top bankers.

George Champion, Chase Manhattan Bank, New York, told Natron's Business:

"While all recognize the need for drastic action to reduce the payments deficit, it's a mistake to place the whole burden on the private sector. The federal government must exercise restraint in its own spending. Clearly we must pay what is necessary for Viet Nam. But other industrial nations are well able to shoulder more of the cost of defending their own regions and aiding the world's developing countries.

"A more equitable sharing of these burdens is long overdue, It would be highly desirable for a multinational body such as the World Bank or its affiliates—or perhaps even a new world aid organization—to oversee the planning and administration of economic assistance contributed by all the industrial nations."

Tilden Cummings, president, Continental Illinois National Bank and Trust Co. of Chicago also advises "greater sharing of international financial responsibilities by other countries," plus "stronger monetary and fiscal action by the United States."

R. A. Peterson, president of Bank of America, San Francisco, says we need to "establish meaningful government priorities for overseas expenditures in order that government spending abroad is more in balance with income earned on private accounts."

Gabriel Hauge, president of Manufacturers Hanover Trust Co. of



Bank of America's President R. A. Peterson



Mr. Hauge of Manufacturers Hanover Trust Co.

New York, told Nation's Business:
"U. S. fiscal policy should be-

come more restrictive so as to restrain inflation and guard against the possibility of unsustainable economic growth this year." He says he favors the President's recommended tax surcharge "matched by significant expenditures reductions."

William S. Renchard, chairman, Chemical Bank New York Trust Co., replies to the Nation's Busi-NESS poll that the federal budget "should be brought into balance to restrain further inflation."

A budget balance can be attained, says Richard P. Cooley, president, Wells Fargo Bank of San Francisco, "through reduction in spending and a temporary tax increase."

Investment curbs pinch

The new U. S. Commerce Department regulations on foreign direct investment place severe restrictions on U. S. companies operating abroad. These corporations returned nearly \$7 billion to the United States last year, much more than they sent abroad. The new rules could eventually cut off this flow of money back to the United States for several reasons:

Companies are required to send earnings to the United States at a rate which one huge international company, in a study for its management people, calls "intolerable."

The subsequent shortage of capital for reinvestment abroad means that "within one year U. S. companies abroad will not be able to compete with foreign companies in the marketplace," this same report states.

Companies will not be able to borrow money overseas because, with forced repatriation of earnings at an abnormally high rate, "they will not be able to pay back the money borrowed," the special report continues.

Increased forced repatriation of earnings will lead to retaliation by foreign governments, too.

Eventually, the analysis says, "U. S. companies will be in no position to send back dollars at all."

State Department raps Commerce

Some State Department officials familiar with operations of Commerce Department trade missions and Commerce Department employees engaged in stimulating trade abroad believe they have largely failed in their efforts.

One foreign service officer says if the Commerce Department and Agriculture Department employees overseas "were not the most entrenched, inept and unaggressive" officials abroad, we could increase trade itself by enough to make up the current deficit in our balance of payments.

The dollar still is held in high regard, the survey of bankers indicated. It is the "strongest currency in the world," in the view of Tore Browaldh, chairman of the Svenska Handelsbanken in Stockholm.

Barron Tucher of Munich's Bayerische Vereinsbank maintains the dollar is as "sound as government's determination to balance the budget and external payments."

Fuji Bank's Yoshizane Iwasa says the dollar's "weakness, chiefly from decrease in gold holdings and the balance of payments difficulties, is considered temporary."

Eugene C. Zorn Jr., senior vice president and economist of Republic National Bank of Dallas, declares that the dollar's soundness "continues to rest on the tremendous productivity and resources of the American economy." He adds, "We should not assume that the



Yoshizane Iwasa of Tokyo's Fuji Bank, Ltd.

dollar is impregnable, however, but should take steps to assure its con-

tinued strength."

Mills B. Lane Jr., president, The Citizens and Southern National Bank of Atlanta notes, "Obviously, confidence in the dollar is not what it once was.'

Dresdner Bank's Mr. Glueck describes the dollar as "quite

sound."

Devaluation doubted

There's great reluctance to voice an opinion that the dollar will be devalued. A few world bankers apparently believe it is possible, but most answered "No" when polled on whether they foresee devalua-

"Not if we pursue sound fiscal policies, establish real priorities for government spending and pay real attention to our balance of payments problem and government's role in creating these problems,' says Mr. Peterson, Bank of America.

As Chase Manhattan's George Champion points out, the dollar's devaluation "would undermine confidence domestically and set back progress in a large segment of the world. So serious would be the consequences of such a move that it would not even be considered."

Gabriel Hauge of Manufacturers Hanover Trust Co. notes that "devaluation of the dollar would promptly be matched by proportional devaluation of other principal currencies, and nothing would

be accomplished."

Eugene Zorn says that at some point the value of the dollar may be changed in a general revision of currency relationships. "But any such action should not be interpreted as a devaluation in the context of the recent British move."

Many bankers believe U. S. federal expenditures are too high.

They are "too high unless we have a balanced budget," says Mr.

Cooley of Wells Fargo.

"America's commitments abroad are overstraining its present capacity to produce the required volume of foreign currencies; government expenditures are too high everywhere," comments Baron Tucher.

"Expenditures should be adjusted to revenues," suggests Fuji

Bank's Mr. Iwasa.

Some foreign bankers decline expressing an opinion on whether the United States is spending too much.

Landmandsbank's Mr. Sørensen comments that "U. S. expenditures should be kept at a level which is sufficiently high to assure continued growth in the U. S. economy,"

But Arthur Schmiegelow of Privatbanken i Kjøbenhavn, Copen-hagen says, "Public expenditures are in the United States and many other countries higher than necessary to secure economic growth."

Charls Walker, executive vice president of the American Bankers Association and former Assistant : Secretary of the Treasury, says we're overspending "both in the domestic budget and in international accounts."

Chase Manhattan's Mr. Champion warns that "unless we bring government expenditures under control through an intelligent ordering of priorities, we face a continuing budget crisis with periodic tax increases and persistent inflation."

He specifies, "there are many areas where reductions and postponements could be made including medical research, the space program and the broad range of government subsidies both direct and indirect."

Favor end of gold backing

President Johnson's plan to remove the statutory requirement of 25 per cent gold backing on the dollar meets with practically unanimous favor.

"U. S. gold reserves should be freed to assist the policy of maintaining the present gold price," declares Denmark's Mr. Sørensen.

"The removal of gold backing of dollar notes is essential in the fight against gold speculation," says Mr. Karsten of Amsterdam-Rotterdam Bank.

American Bankers Association President J. Howard Laeri points out that "the continued efficient operation of the international monetary system-based upon gold and the dollar-is threatened by the statutory requirement on backing of Federal Reserve notes." But he adds that removal "would be useless and actually harmful in the long run unless Congress and the Administration take firm accompanying steps to eliminate our chronic balance of payments deficit and dismantle existing foreign exchange controls. Otherwise gold will continue to flow abroad." Mr. Laeri is also vice president of First National City Bank, New York.

If dollar drain ends

If the United States achieves a balance in our international payments, what would be the effect elsewhere around the globe? Gen-



Chemical Bank New York Trust Chairman, William Renchard

erally, bankers believe it would have sound consequences. But some have mixed feelings.

It would bring "improved stability and open the way to an improved international monetary system," says Mr. Renchard of Chemical Bank, New York.

Mr. Cummings of Continental Illinois replies that the effect would be balance of payments difficulties in other countries and an "increased shortage of international liquidity."

Mr. Sørensen says that "unless adequate international liquidity be made available in replacement of the reduction in foreign dollar holdings, the result may be a decline in international trade and risk of worldwide recession."

"Obviously adjustments would have to be made by many nations overseas-particularly surplus countries." notes Bank of America's Mr. Peterson.

Balance in U. S. payments would "risk deflationary policies and result in slower increase in international trade," predicts Stockholm's Mr. Browaldh.

But Baron Tucher says, "If the strongest nation achieves balance, this must be good for all, including the adjustments, even if they seem

to hurt.'

ference.

Mr. Zorn of Dallas states that balance "would greatly strengthen confidence in the international monetary mechanism and hasten the day when multilateral international banking relationships such as special drawing rights (a kind of paper gold given preliminary okay by international bankers last year) can be implemented."

The bankers polled were drawn from participants in the recent American Bankers Association's annual international monetary con-END

35

INSPIRING TEAMWORK

Gerald L. Phillippe, General Electric's ebullient board chairman, talks about decentralization, the problems of cities, leadership qualities, how to promote innovation

The office is high up in a Manhattan skyscraper, the corporate title is lofty, but the man is down to

That's Gerald L. Phillippe, a warm, engaging Midwesterner who began his career with General Electric Co. during the Depression, became its president in 1961 and since 1963 has been chairman of its board.

He acquired the nickname "Flip" as a boy, and it's stuck with him.

But the answers he gives to questions are anything but flip. For behind each anecdote is a lesson. Flip Phillippe doesn't forget past experiences; he puts them to work in planning for the future.

Success has in no way spoiled him. Instead it's provided the resources to back up a compassion he's always felt. He remembers well how his parents' life savings and his own were erased during the Depression. Today he sometimes walks the ghettos of New York to get a better feel for how his cor-

poration can help society.

He has a keen sense of humor, an honesty and sense of fair play that makes him a favorite among his colleagues. He's as much at home with futuristic power sources and transportation modes as he is with the balance sheet, though most of his experience prior to becoming president was on the financial side.

In the following interview with NATION'S BUSINESS, he reminisces on boyhood days back in Hay Springs, Nebr., and Basin, Wyo.; he talks about the problems of the cities, about how a diversified company like General Electric is run, about leadership-what it is and what it isn't. He relates a moving

experience he had as a young auditor and tells a delightful tale about the origin of that Twentieth Century luxury-the electric toothbrush.

Mr. Phillippe, as a schoolboy didn't you hold some pretty diverse jobs?

I sure did. I remember I had three jobs back in Hay Springs, Nebr. One was delivering telegrams. I had a bicycle but no uniform. I collected money at the end of the month for the telegraph company, and I learned about accounting very early because the guy who was the agent at the railroad station was quite a cutup. I had to check in with him. He knew the value of the bills, and I either brought back the money or the bills.

I would dump the money on his desk and he would count it. Then that so-and-so, without my knowing



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This is a gearshift, a clutch, and a throttle.



it, would sneak a dollar or half-dollar into his pocket. Of course, when we finished counting I would be short. We would recount a couple of times, and then he would slip it back in and it would come out right. Then he'd ask, "Now, what is the matter with us?"

The second job was candling eggs in the local grocery store, Stiehl Brothers, which is still there, I understand. I candled eggs and waited on customers. The farmers used to come into town on Saturday to sell their eggs and stuff and buy their groceries for the coming week.

Then about 7 o'clock Saturday nights, I'd leave the store and go up and run the movie projector at the Star Theater. After the show I'd come back to the store and help load groceries. So I worked from 8 in the morning until, oh, 11 o'clock at night.

I remember I got \$5 a month for running the movies. I didn't have a union card either. I bet they get more than that now.

I got my first raise from Stiehl Brothers one Saturday night. Old Charley Stiehl handed me \$1,25, and I gave him the quarter back and said he'd made a mistake. He said, "Oh, no, this is just a little increase you're getting." That's the first increase I ever got. Boy, how about that? \$1.25! It's not often that we see 25 per cent salary increases.

And from Hay Springs, your family moved to Basin, Wyoming?

That's right. And when I give speeches now, I often toss in a story about Basin.

Aware that my audience probably doesn't know where Basin is, I explain that it's eight miles south of Greybull and 11 miles north of Manderson.

Haven't you also said that Basin was so small it had only half a yellow page?

I may have. Basin's very small. I like Herb Shriner's comment that his home town in Indiana was so small he never knew the punch line on the Burma Shave sign because it was clear out of town.

Seriously, Basin is located in the middle of the Big Horn Basin. And it's a very fine place to live.

What work did you find there?

My first job out of high school was at the Burlington Railroad's car repair center in Greybull. I was a car clerk. It was a very good job. except it involved checking repairs on railroad cars, and it got awfully cold. The temperature got to 30 or 40 degrees below zero and two men who worked on the repair track and I rode in an open Model-T touring car from Basin to Greybull every morning, and back every night.

Then you moved into finance and accounting-a field that was to dominate your career.

Yes, the owner of the Ford touring car became the Big Horn county treasurer. He asked me to work for him as assistant county treasurer. It was on the inside. It didn't pay quite as much money as the railroad, but it was in Basin, which was the county seat, and it was an interesting job.

It was there that I got interested in accounting. All the county treasurer did was collect taxes and distribute them to all the funds over which he had supervision: The towns, the drainage districts, the irrigation districts, the school districts.

These outfits were always broke. The tax money collected didn't get distributed until the following month because the treasurer's office waited until the end of the month to add up all the receipts.

I conceived of the idea in 1927 of distributing the money as you got it. Why not?

So I got permission to hire a helper and we worked 18 hours a day and caught up so we were distributing one day's collections the next day.

When the state auditor came up to look this over, he thought it was great. We were the first county in the state to do it. He recommended that when I saved up enough money to go to college I ought to take accounting.

And you followed his advice?

I worked until September of 1928 and enrolled at the University of Nebraska. I was graduated in 1932.

Weren't you actually offered a job by General Electric in 1932 but with the condition that they really couldn't take you on for another year?

Yes. They told me that I had a job if I would just hang myself on a hook or something for a year, because they weren't hiring anybody in 1932. That hanging on the hook business is kind of tough when you have to eat.

I had jobs at the university reading papers and as a laboratory assistant. And I waited tables at the fraternity house, so I could live if I went to school, and I couldn't if I didn't. So I sought further knowledge. I continued at Nebraska and got my master's degree. By gosh, there weren't very many people around then getting master's degrees. I joke now that it was purely a thirst for knowledge that got me to do it.

Career opportunities were quite different from what they are today, weren't they?

You know, thinking about that, young fellows nowadays have very different thoughts when they get out of school. The only thought I had was getting on somebody's payroll to see if I could make some kind of contribution. I don't recall ever asking anybody whether they had a pension plan or an insurance plan or anything like that.

I remember I saved money for two years to spread over a fourvear college course. That was the plan I had, And work, which I did all five years I was at Nebraska.

Right in the middle of that, in 1930 or 1931, the bank in which I had my life savings-which weren't very much-went broke. It is a sobering experience to have three or four checks that you had paid bills with come back, not because you have insufficient funds in your account, but because the bank isn't there. You not only don't have funds to pay ensuing bills, but where do you get the dough to pay what you thought you already paid?

This helps you grow up very quickly. The family was of no help because my dad was a director of the bank, and what he had was in the bank, too. So there we were. You started over from a financial standpoint. Not only you, as a young fellow, but the older people. That's pretty rough.

What kind of company was General Electric when you joined it?

Well, I remember being very impressed that we had a research lab. a general engineering lab in Schenectady.

And I remember in October or November, 1933, Mr. Gerard Swope (then GE president) and Mr. Owen Young (then chairman) came to Schenectady and talked to the new trainees.

Mr. Swope told us we were the

future of General Electric Co. and some of us were going to be filling their chairs. He said, "Don't worry about us and how much more we know than you do, because you are just starting out, and Father Time will take care of us, and we will be out of the road long before you are ready to assume the responsibilities."

Mr. Young told us not to be discouraged by setbacks or think the company didn't recognize our talents.

On the financial side, net sales of General Electric for 1933 were \$136,000,000. We have a lot of departments that do that much business now.

Much of your career has been in auditing—a job not known for the chances it offers to win friends. Yet your colleagues not only respect you, but like you.

Oh, I think you're overstating things. But over the years I have tried to observe a couple of principles, one being to do the job that is assigned you and don't step on somebody else's shoulders.

Auditing is a very tough job any way you slice it. No one likes to have faults called to his attention. There is nothing I know of that makes any individual madder than for you to bring this out.

On the other hand, I find this: If you do it the right way, and if you do it privately, it's easier.

Shortly after I joined General Electric, something happened that made a very great impression on me, I was auditing a little plant in the Middle West and came face to face with this personal relationships problem:

A cashier had taken some money out of the cashbox and replaced it with a personal check which, of course, was no good. I found this out, so I sat down and talked to him. He admitted it. Well, I said, "For goodness sake, why did you do it? A cashier can't be a cashier if he can't be trusted with the company's funds."

He said, "Would you be interested in knowing where that money went?" I said, "I sure would."

So he said, "Well, my wife is an epileptic, and when she has a spell she must be gotten to a certain doctor in Pittsburgh. On that day, she had one, and I took the money and took her there. What would you have done?"

I said, "I don't know," but I

couldn't, at that point in my career, imagine myself taking money that didn't belong to me, even under those circumstances.

Anyway, he told his boss about it. It was reported to Cleveland, which was the headquarters of the lamp division in those days, and I went up to talk to Dan Daily, who was then the auditor of the lamp division, about this fellow. Dan was a wise old guy and a very fine fellow.

He sat me down. "Is this the first time you've had this kind of experience?" he asked. "Yes," I told him. He said, "Well, what would you do with this guy?"

I said, "Well, I don't think I can have somebody dishonest working for me."

He said, "I agree with you. Was he dishonest? Did he steal the money? Did he hide it?"

I said, "He wrote a check and be didn't have any money in the bank."

"Yes, but the check was in there and was evidence that he was the guy who had the money, wasn't it?"

To make a long story short, after an hour or so he convinced me that, by gosh, here was a good guy. He had a similar experience with this fellow before, you see, and he said, "I'm going to have him come up this afternoon and I want you to sit in on this session."

So in comes the guy. Dan says, "You have the same problem again."
"Yes."

"What did I tell you the last time you had this problem?"

"You told me you would fire me."

"All right, I told you I was going to fire you, and you are fired. You come back here tomorrow and pick up your check and your separation allowance, and Mr. Phillippe and I will be here to talk with you some more."

I said when he left, "That's pretty tough."

"Well," he said, "that's what you recommended."

"Yes, that's what I recommended, but I don't know whether it's right."

Next morning he came in and Daily sat him down. He said, "Now, I'm awful upset with younot for having taken the \$100 out of the till; we have had that before—but because you didn't call me when you needed help, and I can't depend on you to call me. Therefore, here is a \$1,000 check, signed by Dan Daily, not the company. Put it in your bank account, pay back the \$100 and you have your job back, but don't you ever take

anything out of the cashbox again."

When the guy left, Dan said, "I vacillated. What do you think of me now?"

"Well, that was a wonderful thing to do," I said. "I kind of think that guy is not going to do that any more."

And Dan said, "I kind of think he isn't either, or I wouldn't have done it."

Well, that makes quite an impression on a young guy. It gets you to think more deeply about your job.

During your career with General Electric, the company has moved toward decentralization.

Yes.

Will you explain what this decentralization has meant to GE?

I think maybe two things. In 1950, when Ralph Cordiner first did it, there was great resistance. But General Electric would never have grown as it has—lacking decentralization. It is just physically impossible, in my judgment, for any man or small group of men intelligently to manage an enterprise of the diversity of General Electric.

There just isn't anybody smart enough to know intimately all the things you should to make intelligent decisions in the marketplace, in your procurement, in your labor relations, in all the varied industries in which we participate.

I think that is one thing.

The second thing is the decisionmaking opportunity such a system provides for people. It provides us with a mechanism by which authority can be given and measured. The individual will know whether he has succeeded or has failed. This management opportunity for people in a company like General Electric, I think, is tremendous.

Turning to individual leadership, could you sketch the essential ingredients as you see them?

The first thing you have to have is character.

You must be dedicated, not just to the betterment of General Electric, but to the people around you.

There is very little you can do in a company of this size by yourself. If you can't inspire somebody else to get on the same team, and a whole bunch of somebody elses, the contribution you can make is minimal, indeed.

Another thing, if you have to



For years, Mr. Phillippe has returned to Wyoming's Big Horn Basin whenever his busy schedule has allowed.

Mr. Phillippe goes over some plans for 1964-65 New York World's Fair pavilion with the late Walt Disney.



choose between the smartest man you ever knew and the most honest, the one with the greatest character, take the latter.

In General Electric, we don't need to choose. We need both.

How do you spot these people? How can you tell when a man has the seed of leadership?

It's a matter of judgment. Sometimes you miss. But I think I can tell pretty well when a guy is sincere and dedicated, as opposed to one who is a follower or is playing office politics.

A leader listens, whether he agrees with a proposal or not. It just could be, you know, that the guy who's arguing with you is right.

Let me give you a couple of ex-

amples:

Years back, one of our department heads wanted to build an electric toothbrush; everybody he talked to said he was out of his cottonpickin' mind.

Anybody too lazy to brush his teeth, by gosh, hadn't ought to be alive anyway.

He said, "All right, just give me the money to go into production, and we will see who is right."

You can guess who was right; in the first two years, we sold over a million units.

I am one of those who had told him he was crazy. Since the success, he's told me he is going to make me a special appliance that is a combination toothbrush and shoe polisher for people who are always putting their foot in their mouth.

Another example is the portable dishwasher. Every member of the then-existing executive office told that department general manager he was crazy to bring out a portable dishwasher, because we had had one before and it flopped.

But, he said, "This one is square, the other was round. This one is automatic, the other was manual."

He brought it out, and it was the best-selling item we had the next three or four years.

These are the kind of leaders we need. Guys who have the courage of their convictions, but yet are willing to listen and then make up their minds.

What will the manager of the future have to be like?

He will have to be a lot better than his predecessors. To be more specific, he will be a much more sophisticated guy. The information explosion, the technology explosion will give him better data on which to make sound decisions. But still there will be no substitute for judgment; he'll have to be a man of very great judgment.

I think more and more, in large corporations, the manager of the future is going to have to consider his relationships with governmentfederal, state and local-and participate more.

He will have to be more socially conscious than we have been in the past.

Sure, he is in business to make money for his share-owners but that is both a short-term and a longterm propositon. For the long term, he has to try to help shape his environment for the better, and that is why I get involved in urban problems and the improvement of the poor.

This is something you feel very personally, isn't it?

I feel it very personally. I've taken a couple of walks with Mayor Lindsay in Bedford-Stuyvesant and Brownsville.

There is nothing like going and seeing the problems firsthand.

As you know, General Electric runs a Job Corps center in conjunction with Time, Inc. I've made several trips there. You don't see what these people are trying to do, and the problems they have to deal with, without feeling some kind of personal commitment to it.

These are tough problems and they are not going to be licked in 15 minutes. We, as a nation, can't get all excited about it today and forget it tomorrow. We have to keep pounding at it.

You think about people over in Bedford-Stuyvesant, where two or three generations have been on relief. They don't know any other way of life. If we could just motivate them, maybe they'd try to get off the relief rolls.

We have a tendency to be critical and say they would rather sit and collect a relief check than work. I suppose that is true of a minority, but I have grave doubts if it is true of the majority.

It is something like what old Dan Daily asked me: "If you were in their shoes, would you do differently?"

Certainly they ought to have the opportunity to change. They ought at least to be shown another way

of life. Maybe they won't think it is better, but at least let them see it, let them participate.

What do you have in mind?

I don't believe in rent subsidies, I think that if you rebuild a slum and subsidize the rent on it, it will become another slum. The people haven't any interest in the place.

I would rather have the part they pay as rent go toward ownership. Maybe it wouldn't work, but at least it has an incentive in it.

I don't mean that industry has to raise all the billions that would be needed, but I think government and industry can cooperate.

And I think we have to learn how to do it.

Colleagues say you never seem to lose your temper. How do you keep your cool?

Oh, I have a temper, but I suspect that one of the reasons I don't lose it very often is the realization that when I do, I can't think clearly and respond concisely. Also, the day after I have lost my temper I am completely mortified by having done so, both because it wasn't the thing to do and because of how the other guy feels for my having climbed up and down his spine.

How do you relax? I understand you used to captain a GE softball team in Schenectady.

Years ago.

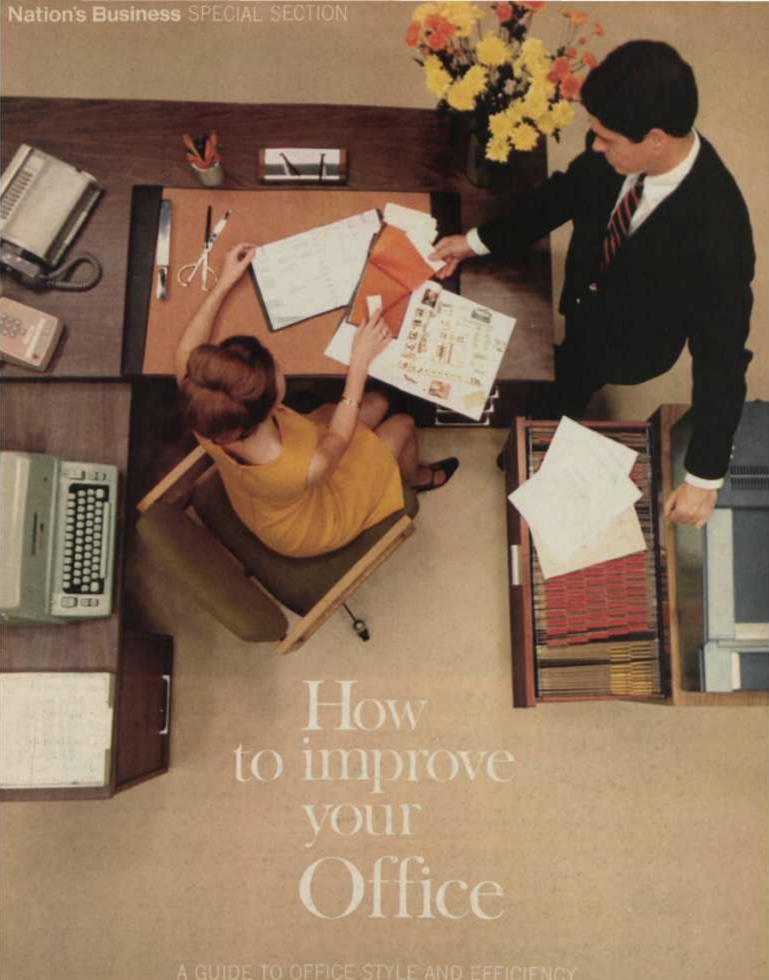
What position did you play?

Oh, I was ambidextrous in those days. I played third base a lot. I pitched a little. I played left field. We weren't that good but we had a lot of fun.

What I try to do now is work five days; this includes nights, as I have a lot of dinners to attend and speeches to make, which I think are work. I try, not too successfully, to keep Saturday and Sunday for the family. Oh, yes, I like golf.

The other thing I like to do is go out to Wyoming. That is the most relaxing thing I can do. END

REPRINTS of "Lessons of Leadership: Part XXXIV-Inspiring Teamwork" may be obtained from Nation's Business, 1615 H St. N. W., Washington, D. C. 20006, Price: 1 to 49 copies, 30 cents each; 50 to 99, 25 cents each; 100 to 999, 15 cents each; 1,000 or more, 12 cents each. Please enclose remittance with order.





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What's going up in your business maintenance costs or Marlite Paneling?



William G. Kimbrell, Pres., National Office Products Association

WHAT IS OFFICE IMPROVEMENT MONTH?

The manufacturers and retailers of products for today's offices feel keenly their responsibility to businessmen. Everyone connected with the office products industry should do everything in his power to help business offices function smoothly, efficiently, economically,

The vast resources of the industry have been gathered together. under the banner of the industry's major trade group-the National Office Products Association-to sponsor Office Improvement Month this April.

This is the fourth year that this mammoth nationwide program has been held, but this time it has a new name. The first three promotions were known as National Better Record Keeping Month.

Better record keeping in the home and office is still a major concern of the program, but now the effort is even broader. It promises more, and the office products dealers-and the manufacturers standing behind them-are ready to deliver. Dealers the nation over are prepared to place special emphasis throughout the month of April on helping businessmen eliminate waste in the office.

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OFFICE IMPROVEMENT

WHAT YOUR OFFICE PRODUCTS DEALER CAN DO FOR YOU

Interview with Billy Kimbrell, president, the National Office Products Association



Billy Kimbrell, successful and experienced office products dealer in Greenville, Miss., is current president of the National Office Products Association.

At first meeting Mr. Kimbrell's Deep South drawl tends to belie the energetic enthusiasm that soon comes forth in conversation.

The listener soon realizes that here is a man with keen insight into what makes business tick—his own and others.

The ideas articulated emerge from long and successful experience in the office supply industry that started shortly after graduation from Millsap College in Jackson, Miss. Within one year, young Billy Kimbrell was exceeding \$5,000 per year as a tireless traveling salesman for a stationery firm, a rather substantial income for a 23-year-old Mississippian back in 1939.

In short order he was tapped for bigger responsibilities, but World War II intervened. When Captain Kimbrell emerged from the Army in 1945, he was asked to take on a new store in Greenville that had been bought up by the Office Supply Co., a growing chain of office product dealerships in the South.

Today, at 51, Mr. Kimbrell is president of the thriving Office Supply Co. entity in Greenville, and a director of the parent company that has an annual sales volume in excess of \$20 million.

Success, he says, comes from the fact that "our people convey a friendly and pleasant attitude that helps proliferate sales." But the conversation reveals that there's more than a smile and a handshake involved.

Billy Kimbrell has a thorough knowledge of office management procedures and a deep dedication to helping business operate more efficiently, as he makes clear in the following interview.

Mr. Kimbrell, I suspect that many businessmen haven't thought about asking an office products dealer to help with office procedures or supplies. Should they?

Most assuredly they should. The dealer can help the businessman do the same kind of analysis and planning with expendable supplies, as well as scheduled equipment and furniture, as he does with transportation, personnel, sales, machines and production. The office is the dealer's area and he can help make it function better in so many ways.

What information would he need about the business?

The place to start would be sharing some information on office expense. How much, in a year's time, will be spent for office supplies? Are they budgeted? In 90 per cent of the cases, the answer is "No."

Last year's costs would likely be available.

True, but has anyone studied

them to come to some conclusion. So often the expedient thing is done. Someone needs a dozen pencils, and the next time the office supply boy comes along, a dozen pencils are ordered.

Or a \$300 machine is getting awfully tired and out of date. It's replaced without an obsolescence budget or much consideration of what else, in the course of a year's time, will have to be purchased.

What's the annual consumption of letterheads—1,000 . . . 10,000? Too often, there's little planning in all of this.

Would it be practical for the businessman to furnish all of his office supply and equipment bills for, say, the previous year? Could some analysis be made of that?

The business owner might not want to be so revealing about his prices, but if the dealer could know total consumption of various items, it would enable him to recommend a system of volume purchasing that would prove most advantageous.

Does that mean a blanket purchase order, or an automatic reorder system, something like that?

It's a combination of the two really, and it's a very useful service the dealer can perform. The effect is that it keeps office supplies stocked completely and eliminates a purchase responsibility.

Instead of having a purchasing agent shop everybody in town to



PHOTO: MEAN MENTIN

try to save money on each item, more money—in terms of his time can be saved by negotiating a purchase contract for all of the expendable items.

Then the dealer can service this blanket purchase order through the frequency of salesmen's calls.

Can you explain how that works out?

Very easily. Suppose we can determine, from your past records, that you'll use 12 gross of pencils in six months. The salesman's frequency of calls will be geared to the activity of your account, so he can function as your inventory clerk.

Along with your other items, he'll know what your consumption of pencils is, so he can replenish your supply—before they run out—at an agreed-upon price as specified in the blanket purchase order.

And that agreed-upon price will be a volume price based on your total needs, rather than the price for a dozen here and a dozen there.

How about other kinds of information the businessman could give the dealer?

The depreciation schedule on your equipment could be most helpful. The dealer could evaluate whether the composite depreciation schedule would be more beneficial or the schedule the dealer himself, through experience on individual products, knows about and could put into effect.

Beyond the matters that directly involve consumption or depreciation, should the dealer know something about his customer's business generally so he can advise on better office procedures?

By all means, because the wellinformed dealer can be of immense help in many areas. What sort of filing system exists? What documents to keep, for how long? And how much does a document kept too long cost?

How much does floor space cost? This is particularly important in metropolitan areas where rent costs are so enormous.

The dealer can advise on the best type of storage, on what to store and for how long to store it.

Filing seems to be one of the biggest office problems—from the standpoint of both procedures and storage. What expertise does the dealer have there?

He could, and would, make a survey of total filing requirements. He has available specific formulae, in terms of lineal inches of filing space, related to the yearly needs of a business. In addition, he can survey such diverse matters as how files should be kept, how much indexing is involved, systems for handling filled and unfilled orders, what should be kept in files and how long.

But a businessman may be hesitant to use this service because he feels it's going to be expensive. There's no charge for it, unless it is a very exhaustive study that exceeds the dealer's knowledge—or time he can devote to it. Then there are analysts, working for the manufacturers, who will do this for a stated fee.

The finding, most of the time, is that systems are not well coordinated or well kept, simply because there's a void in management's minds.

They'll beat their brains out to get efficiency on plant machinery, and then have a blind spot as to what general office costs are, and what simply wretched routines they permit, because nobody ever relates these costs to the profit and loss statement.

How big does a company have to be to interest an office products dealer in performing this kind of consulting service?

That's rather difficult to answer, but let's consider this filing survey. A small establishment would not find that too beneficial, because it does not represent a sufficiently large potential for savings.

I would say an organization of 50 employees, because with that size an awful lot of paper work is generated and the manner in which it is handled could make a substantial difference in net costs of operations.

In addition to filing surveys, am I correct that office layout is another active area of dealer service?

With the proper planning information, indeed so.

The dealer could use a blueprint of the building. How many work stations will be required?

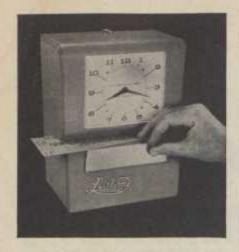
The dealer can then recommend where those work stations should be and what is the most efficient use of space. His design department can make a proposal on furnishings, incorporating existing furniture, or all new furniture.

The dealer can create a pretty atmosphere if the customer wants it pretty—severe if he wants it severe.

Most of all, though, he can make it efficient.

Is the office products dealer usually a reliable source of information on record retention?

His record retention studies—in view of the enormously increasing cost of storage space—can be very valuable. The dealer can make much of this information available, either in the IRS manuals themselves, or from other tax bodies



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YOUR OFFICE PRODUCTS DEALER continued

that the businessman may be accountable to-such as local or state.

Beyond the legal requirements for record retention, how about historical records, transaction records or other types of records a business may keep for its own purposes? Can the dealer guide you on what to keep and how

I suspect the dealer would best defer to his customer in knowing what would be the items peculiar to that business that should be kept, how long they should be kept and in what manner.

But I think a conference with the dealer would be helpful because he'd probably get Mr. Businessman to think about some things concerning his business record procedures he wouldn't analyze otherwise. And this could prove to be a healthy and cost-saving exercise.

Why is it that businessmen seem less concerned about costs of office operations than they are about production

I guess it just hasn't been impressed on them that there is a great potential of saving, potential of actual improvement of profitability, in this area.

But don't you think it has something to do with the nature of office work?

Yes, I do.

Work efficiency is much more measurable in the production area than in the general office, and you find more literature, more analysts, more outside objective counsel in the production area.

But the well-informed office products dealer is quite as much an expert as the other analysts who are invited in, at considerable expense,

to do something.

The office products dealer comes in pretty much for free, but can turn up equal potentials for improvement, not necessarily by putting a stop watch to what's going on in the office, but just by pointing out better ways to do things.

Think about the psychology of the boss himself, Mr. Kimbrell. His own working habits are on display right there in the office. If his desk is mountain high with papers, or he's a little loose about personally using time, can he conscientiously enforce superefficiency on everyone else?

Now, that's a real point, Management sometimes is the worst squanderer of time, and the boss can set a bad example for his own personnel.

But there again, if there is a bedrock confidence, perhaps even friendship between the office products dealer and the management level of an establishment, an observant office products dealer could help the boss improve his work habits.

If you suddenly found yourself sitting on the other side of the desk, what are some of the ways you would go about selecting and working with your office products dealer?

First I'd study the available dealers in my area, discover who deserves my confidence, then schedule the time it would require to explain what my requirements are-an annual basis would be good enough.

I would not necessarily restrict myself to the selection of one firm to explore my total needs. In fact it could well be that I would need and would want to have more than one source of supply.

But now to do just what we have discussed today, I'd prepare some information on my total supply needs and then explore what this sort of purchasing can be done for.

Then I'd ask for a study of my filing system, my accounting department and ask the dealer to look at the work flow of my establishment.

What does he think of the amount of light I've got and the colors I'm using?

What are his recommendations for equipment that I do not have?

Am I fire protected in the proper areas, and have I got the right things fire protected?

Are my desks placed back to back when they ought to be placed facing away from each other?

Has the dealer got service people who can keep my equipment running so I don't have any unusual amount of downtime? And will he keep me informed about the innovations that develop in the market?

So let me welcome you, Mr. Dealer, as a partner in my business because you are an inescapable part of it. If you can do the things that you represent that you can do, I want and need you as a partner in this business.

What do you want to do first? Do you want to examine my files? Do you want a list of this consumption? Do you want to see my capital and assets accounts?

What do you want? Now you tell me.

END

MORY

JANTY

EFFICIENCY

FLEXIBILITY

PEOPLE

QUALITY

INNOVATION

THESE ARE THE IDEAS

CORRY JAMES TOWN TURE

OFFICE IMPROVEMENT REVOLUTION IN **DECOR SPREADS THROUGH BUSINESS**

Firms now look for furnishings that reflect individual tastes of executives



The mobile look



The boldly personal look

The rich look



Memo to the Boss: If we make this place any more handsome than it is now, we may not be able to get our people to go home at quitting time. J. B.

Fiction, of course, but just barely.

Many offices today are things of
beauty, and if the people who plan,
design, equip and decorate such
places have anything to say about
it, that make-believe memorandum
will, in time, come to seem not very
farfetched at all.

"Take a look around you," suggests one office outfitter, "and I think you will agree that business establishments generally have become pretty nice places to be. Good lighting. Pleasing colors. Comfortable desks and chairs. Fine pictures on the wall—often of gallery quality. Some really striking accessories. And, dollar for dollar, more durability per item than what you can buy when you furnish your own home."

Sure, some offices are still dingy. Or poorly furnished. Or noisy. Or badly set up for the work they house. But an awareness of what it takes to make offices efficient and attractive (machines for work) is spreading rapidly through the ranks of business.

"In the future the average office will have a much more distinctive appearance than it has today," predicts Mrs. Sylvia Dillon of Pittsburgh, an award-winning designer of office furnishings. "As American homes become more interesting, more tasteful, our people are transferring these same demands for good taste to the environment in which they work."

What businessmen want

Mrs. Dillon feels that businessmen already are expressing a preference for a more "individualistic touch," at least in their private offices. Her impression is shared by other office designers and furnishers, although some hesitate to describe it as a definite trend.

Veteran furnisher Sam Stern of Washington, D. C., characterizes today's mood as one in which "artiness is no longer resisted." He believes that television has done a good deal to enliven the public's interest in fine office settings, and in more experimental design generally.

"People are simply more aware and more discerning," asserts Mr. Stern. "This is reflected in public design as well as in private work—parks, banks, lobbies, playgrounds. The country is willing to try the new, and many businessmen no longer are afraid to customize their offices. They are willing to get away from the more or less 'safe' or 'standard' business office look of the past."

Jens Risom of New York, whose firm specializes in the design and manufacture of furniture for use in executive areas, agrees that there is currently some movement toward more "individuality" in office decor. "There is more informality now, a less intimidating atmosphere, a warmer feeling," he says. "Less a sense of 'executive direction' in the look of many offices."

Still, one can find those willing to argue that many companies are hung up on an excessively austere and controlled concept of office appearance. Some call it the "hospital look"—modern, clean, but sterile. Few pictures on the walls, no personal touches to individual offices-efficient, but without emotion.

An office furnishings authority (who asked not to be identified by name) says he is encountering more and more complaints about "the sterile look" in his travels.

"One hears it especially from middle managers of major national firms," he explains. "They resent the fact that somebody way up at the top dictates that this is the way things will be. I've even heard men complain that, when they brought in ash trays or other small decorative items from home, they were politely but firmly told that they would have to remove the articles because they didn't fit in with the furnishing scheme laid down by headquarters."

Case for standardization

Of course, there is another side to the case for standardization in office appearance. Some companies want each of their branch offices to look alike in order to establish national continuity. This, presumably, will make a customer feel at home wherever he visits one of the firm's branches. And, it is reasoned, executive office space should be just as predictable as a clerical area or secretarial pool.

One way out of the straitjacket (if indeed it is that) may be to allow employees more range of choice within predetermined limits for colors, desk models, accessories.

"This puts you somewhere in between the extremes of too little choice and too much," declares Robert A. Berger, executive director of the office furnishings division of the National Office Products Association. "This way, the company can establish an over-all visual image, a picture of itself, of the kind of business that it is—and still, the employee can express some individuality as well."

Many manufacturers of desks, chairs, conference tables and other office items offer a multiplicity of finishes, colors and use features within a given model line, so the opportunities for personal choice in selection are wide. Mahogany might be chosen over walnut or teak, for example, without leaving a model line. Or, steel might be chosen over wood, or another metal-

REVOLUTION IN DECOR SPREADS THROUGH BUSINESS continued

wood ensemble. Or an L-shaped "back-of-the-desk unit" might be combined with a desk to give the employee both more elbow room and a degree of individuality.

"Today's office furnishings really are an embarrassment of riches," says Charles Miller, the diminutive, bearded design chief for the Stern house in Washington. "There is so much one might choose. So much one can do."

A trip through Stern's showrooms with Mr. Miller is a journey of proof through seemingly endless esthetic possibilities. Each floor is compartmentalized into model offices and office conference areas, and each adds to a total impression of an enormous sweep of possible effects:

The Rich Look. The Classic Look.

The Boldly Personal Look (a see-through desk top here, a hidden office bed there).

The Mobile Look of clean, subtly exhilarating Swedish pieces. Arrangements of compact office settings in special "cutaway" rooms (this to illustrate effective use of very limited space.)

And, finally, the sleek grouping of low-priced but handsome steel secretarial desks which, when color choice is varied, lends itself to any number of exciting visual impres-

At Stern's, as in many office furnishing houses, display areas are also used by clients as a kind of laboratory in which various combinations of items may be tried before purchase is made.

"Please make it clear that price itself should not be a barrier to attractive office furnishing," Mr. Miller exphasizes. "Smart selection from even the most inexpensively priced factory models can help you achieve a good-looking office. The knack, of course, lies in making the best selection."

Experts such as Mr. Miller specialize in helping business and professional men reach the best choice. Sometimes, the assignment might involve designing furniture for the office from the floor up. At other times, the experts work wholly from sample factory items or from catalogs, often preparing sketches for a client to illustrate sought-for effects.

Why an expert can help

The experts seldom say so in public, but it is nonetheless their general belief that the trend toward the more individualized office could bring with it some king-sized mistakes in office decor.

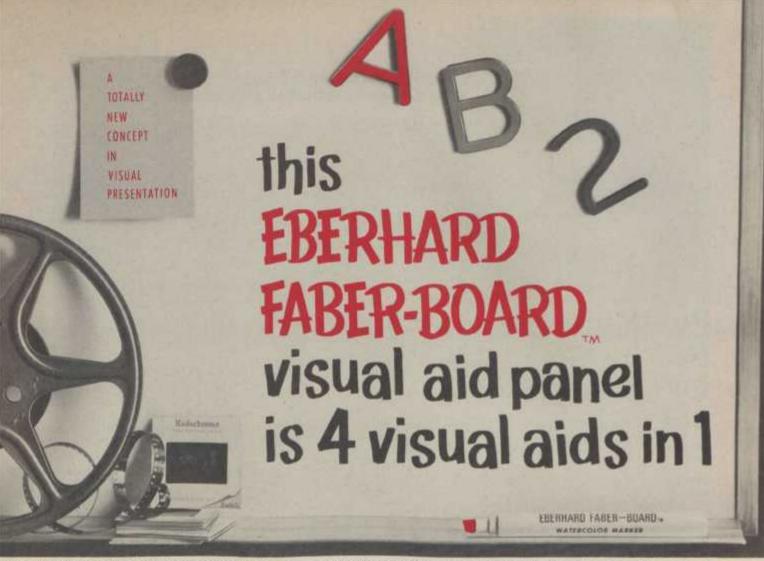
Listen to one office furnisher explain why:

"Most people—even people of good taste—have difficulty when it

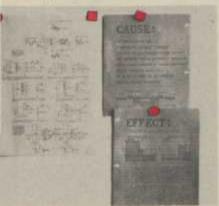


These before and after photographs show what a skilled decorator can do to turn a cold, impersonal office into one that is warm and friendly, as well as efficient.

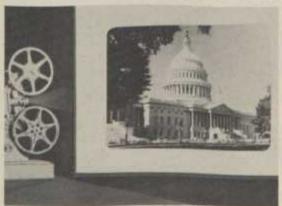




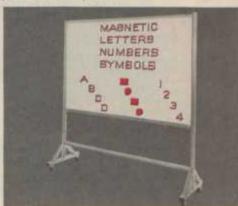
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REVOLUTION IN DECOR SPREADS THROUGH BUSINESS continued

comes to furnishing their own office unaided by any outside advice. For one thing, the layman can't hope to keep up with all the changes in furniture technology, variety, and so on. For another, many people are driven by emotional needs when they outfit their offices, and the expression of these needs might add up to pretty awful decor.

"In fact, I have often thought that really to succeed in this office furnishings game, you have to be a bit of a psychiatrist. If you're not, you could go nuts and wind up on the couch yourself."

Need for restraint

Examples of individualism run wild are numerous, at least to hear the designers tell it.

One businessman, for example, was so proud of his many prominent friends in government and industry that he had dozens of letters from them framed and hung on the walls of his rather narrow quarters.

One designer's comment: "The general effect was that of a Post Office 'Most Wanted' board. It is all right to drop names, but don't drop too many of them on your walls.

Another businessman, feeling overshadowed by his brother-in-law in a family firm, had his desk placed on a raised platform and then ordered dramatic backlighting of the wall behind the desk.

He wasn't going to let the brother-in-law upstage him.

A key official of a Midwestern labor union crowded his desk with all sorts of doodads and mementoes, some of them vulgar and all of them overshadowed by a miniature jackass which, when you lifted its tail, extruded cigarettes.

This man's desk was doing very little for his image.

Another executive, inordinately proud of his weekend oil painting hobby, covered three walls of his office with samples of his own work. The canvases were rather good, but when business callers discovered that he had done all of them they came to regard him as an egomaniac and his standing in the industry fell.

Too much "you" in the office can be a bad thing.

A lady executive took to filling

her office with potted plants. The collection was small, and even appealing, at first. But it grew over the years and eventually transformed her room into an air-gulping greenhouse.

Management finally had to defoliate.

Designers' problems

Office designers claim that wives of physicians are especially prone to take on the interior decorator's function when it comes to doing up (or doing over) the spouse's reception area and examination rooms.

"If I am called in to 'help' on one of these doctor assignments, I try to condition the wife's acceptance of something worthwhile," explains one designer.

"If you use patience and tact and make her feel that she made the choice, not you, then you are home free. Sometimes you have to stack the deck by making sure that she only gets to look at the sample books with the best tile and fabric swatches."

There are occasions when the emotional needs of the client are a boon to the office furnishings man. An example is the young attorney who is opening his first office. Typically, these young professionals try to bolster their own self-confidence (and the confidence of their clients) by specifying massive, traditional desks, high-backed leather chairs, formidable stoneware ash trays and other tangible symbols of solidity, security and judicial poise.

"The little guy sitting in that big chair might be scared to death, but if the office furnishings do something for him, and for the people he is serving, then the symbolism is productive," observes one veteran furnisher who has dealt with hundreds of professional men.

"It's when you get to dealing with the older, mature attorneys that you run into trouble.

"Lawyers, by their nature, are trained to be negative. They can see the negative side of everything. So, they have a tendency to question and challenge and agonize over everything:

"Is this really the best chair for

my office "Would that table really look

D. E. Provost, President, Stearns-Roger Corporation, Denver Says,



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"Would that table really look

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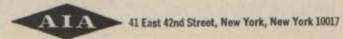
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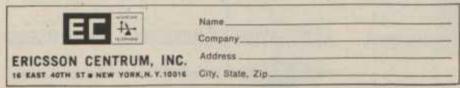
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DECOR REVOLUTION SPREADS THROUGH BUSINESS continued

right sitting in that position?
"Are you sure that the doweling is okay in this desk?

"That kind of thing.

"An architect, on the other hand, is easy to work with. They respect good design and, if you know your beans, they ordinarily will sense this and get out of your way."

New design trends

Most management consultants, office planning specialists and ordinary businessmen who have bothered to think about it foresee dwindling use by top executives of the conventional desk.

More and more, the trend is to the deskless office for the chief executive of a firm.

"After all," AMA President Lawrence A. Appley said recently, "a desk is just a place where somebody leaves work for you to do."

The desk is seen by many top men as an enemy of their time, a drag. They prefer to operate from living room-like quarters shorn of desks and other "barriers to communication." More emphasis now is placed upon an intimate grouping of chairs, a few calm prints upon the paneled wall, even the homiest of touches, such as frilled lamp shades, break fronts and assorted bric-a-brac.

But one instrument is very much in evidence—the telephone. "Without that," comments one president, "I would be utterly lost."

For all of the enthusiastic press which it has received in this country, the German-originated concept of "office landscaping" (Bürolandschaft) does not appear to be on its way to universal acceptance.

The technique involves complete removal of floor-to-ceiling partitions in office buildings; arrangement of desks in asymmetrical patterns designed to prevent direct eye-contact; groupings of workers along functional and communication flow lines, and the interruption of otherwise open work areas with small, partially partitioned "pause" or rest centers.

Under office landscaping, employees are set apart from each other—when they are divided at all—only by such devices as flower plantings or partial partions. Ex-

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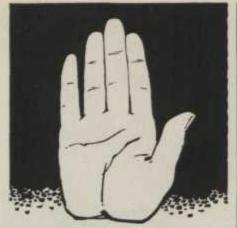
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REVOLUTION IN DECOR SPREADS THROUGH BUSINESS continued

ecutives and clerical functionaries alike operate altogether in the open.

German and Swedish firms that have experimented with this relatively new concept report good results, but many American observers remain skeptical.

"For one thing," says Robert Berger of NOPA, "office landscaping plays hob with the status bestowed by walled-in work areas. In other words, by an office. I'm simply not sure that many Americans would go for it, and I personally know a number of businessmen who wouldn't be one bit happy sitting there staring out over a potted plant at the rest of the organization."

Mrs. Dillon feels the concept is "marvelously refreshing" and might work very well in drafting rooms or in other places where people are accustomed to working as teams or in generally unobstructed space. But she doubts that the concept would lend itself to a law firm, a physicians' complex, a tax counseling office or any one of several other operations which, almost by definition, require privacy and unnoticed access.

"After all," says Mrs. Dillon, "most people don't go to a lawyer for a happy reason, and they don't

want to be seen going."

Her husband, Robert E. Dillon. president of Dillon Office Furniture Co., agrees with her appraisal of office landscaping. "For the pres-ent," he states, "I believe that landscape planning will be applied to certain limited areas with groupings within specific departments, rather than the total intermixing of departments.

'However, with the increased use of electronic rather than mechanical business machines, we can expect more open area planning with management and office workers in closer physical proximity, as noise dis-turbances will be less difficult to control."

Some American experiments

Nor has all of the experimentation been arising on the far side of the Atlantic. Mr. Dillon points out that elements of office landscaping have long been in use by American banks, with their "platform" or "visual customer and officer" com-

munication. And, more recently, Scott Paper and other firms have been experimenting with so-called "multimedia" shows in which fastmoving light and color images, combined with psychedelic sounds and smells, are used to stimulate sales and other personnel to higher productivity.

One office designer speculates that multimedia "shows" may prove to be adaptable as permanent fixtures in office design ("perhaps as 'walls of light'") and hence could become an adjunct to the comfortable desk, the coffee break and piped-in music. Much more will have to be learned, however, about the permanent effects of such intensive excitation of the human eye and mind.

The office of the future

Looking far into the future, a few office equipment people wonder aloud if even more fundamental, but as yet barely discernible, changes may not be in store for their industry. "For one thing," says Sam Stern, "we ought to face the possibility that many businessmen won't be in the office at all, because there won't be an office. It might become just another room at home, and in fact a good many executives already do have rooms of special office space set aside at home."

One executive has even added a computer terminal to his office away from the office.

"It's just speculation," of course, "but it could be that office furniture manufacturers 25 years from now will have to design the office and the home all as one bundle," comments another long-time professional. Certainly with all the new electronic data processing, the instant TV, and what have you, almost anything is within the realm of the possible.

He paused a moment, reflective.

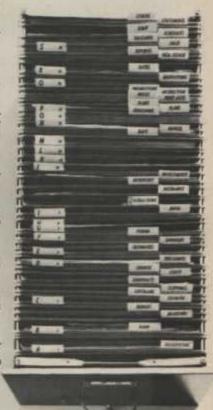
"But you know," he resumed, "I think there will always be some central place, maybe just an information bank, which will be the office, or headquarters, or "The Company" or whatever you want to call it. And there will have to be somebody there-if only to keep the computers company. And I hope I'm around to design the chair for that somebody to sit in."

Yours?

Ours.

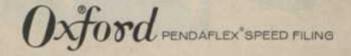


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THE SECRETARY: HER OFFICE, JOB AND BOSS

What does the secretary think about the office environment in which she works? Is she happy with the equipment she has on hand to do her job? How much does she know about her boss? What does she think of him?

In a recent questionnaire survey, conducted by the National Office Products Association in cooperation with the National Secretaries Association, an attempt was made to find answers to these questions.

Almost 3,000 secretaries responded. Since they are careerminded enough to join their own organization, these secretaries represent the cream of their profession. Therefore the answers probably represent the views of secretaries to higher echelon management more than the girl in the stenographic pool.

Obviously these top secretaries are content in their jobs. An overwhelming 94 per cent say they find their present offices to be pleasant places to work. This is true in every size company, from the smallest to the largest. In general, they are happy with the tools they use also.

In response to the question, "Do you feel the office equipment you now have to work with enables you to do a good job?" only four per cent registered any dissatisfaction.

However, when secretaries were asked to name any additional items of equipment they would like to have, 35 per cent offered specific requests. A photocopier was the most frequently mentioned. In one case,

the secretary was requesting a second photocopier, for use when the present one was "out of commission."

A new typewriter and adding machine were close behind the photocopier in frequency of mention.

Other wanted items included dictating machines, calculators, paper shredders, electric pencil sharpeners and postage meters, which cropped up fairly frequently in smaller firms,

Fifty-three different items of office equipment were mentioned.

Only one secretary suggested she would like to have a coffee-maker.

Since 65 per cent of those responding offered no suggestions for new office items, secretaries seem to have relatively modest acquisitive instincts.

Maybe one of the reasons is that most secretaries play an important role in helping the boss decide what's needed and when.

"Does your boss ask your opinion on the purchase or order of office supplies, office equipment, office furniture?" secretaries were asked.

Seventy one per cent answered in the affirmative, although there were some slight variations within categories. It seems that secretaries have a little more advisory function on office equipment than they do about office furniture.

When it comes to specific items of equipment or supplies, where the boss is likely to call in his secretary for advice, her own typewriter, quite obviously, leads the list, with



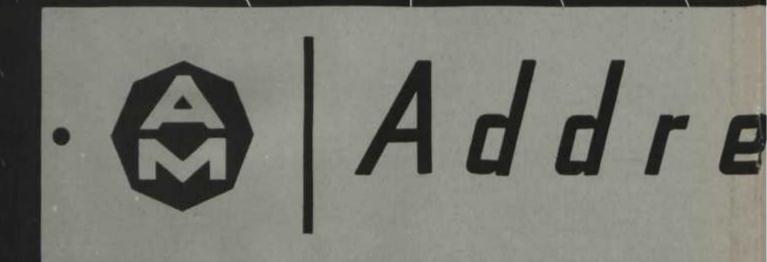
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THE SECRETARY: HER OFFICE, JOB AND BOSS continued



In general, do you present office er a pleasant surro which to work?	nvironment is	Yes: No:	94%
2. In general, do you equipment you n with enables you	Yes: No:	96% 4%	
3. Do you compose your boss?	letters for	Frequent Occasion Never:	
Do you personal will see or speak boss after identification.	to your	No (via to Yes (office	telephone): 56% elephone): 44% ce visitors): 51% e visitors): 49%
5. Do you make tra hotel reservation	nsportation and as for your boss?	Yes: No:	82% 18%
	personal items for as theater tickets, other gifts?	Frequent Occasion Never:	
7. Do you know for boss's salary?	sure your	Yes: No:	66% 34%
8. Do you perform parvices for your	personal accounting boss?	Yes: No:	51% 49%
9. Rate your boss in Excellent Good Fair Poor		Personality 70% 22% 7% 1%	Consideration 71% 22% 5% 2%

her own desk running shortly behind.

On items such as a modern painting, drapes and wall décor and, of course, his own desk, secretaries feel that the majority of bosses make these decisions by themselves, or presumably with the help of someone other than the secretary.

In smaller firms, the secretary actually does much of the office supply purchasing, but the survey reveals that in companies of over 50 employees, this function is more and more centered in some other capacity, usually a purchasing agent or office manager.

Where the secretary has an office supply purchasing responsibility, she usually does it locally and from more than one dealer. One fact revealed is that dealers may not be as aggressive as they could be in contacting secretaries. Less than one third of the secretaries report that a salesman calls regularly. In fact, 30 per cent say a salesman never calls.

How they work with bosses

The boss's dependency on his secretary for a wide variety of services is fairly well established. The NOPA-NSA questionnaire made no attempt at deep psychological probing in this area. It did establish, however, some measure of the types of personal services the secretaries perform as part of their job routine.

For example, when it comes to hotel and transportation reservations, over 80 per cent of secretaries report that they handle this for their bosses. As one would guess, the percentage is higher in the larger firms where bosses travel a lot, than in firms with fewer than 10 employees where there is likely to be less business traveling.

Another type of personal purchasing the secretary provides more often than not includes items like theater tickets, flowers, birthday gifts. Over two thirds of the secretaries responding indicated these types of chores were delegated to them by the boss.

The secretaries reported that they even do some of the bosses' personal accounting, such as paying bills, keeping checkbooks, depositing pay checks—although this is not so common a practice in the large firms (44 per cent) as it is in firms of fewer than 10 employees (65 per cent).

When it comes to the most frequently identified secretary's chore—handling the boss's correspondence—a fair amount of this load is delegated to the secretary. In the survey, 60 per cent report that they

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THE SECRETARY: HER OFFICE, JOB AND BOSS continued

frequently compose letters for their boss, and another 38 per cent said they do it occasionally. Only two per cent indicated that they never do it. When secretaries sit down to transcribe their bosses' letters, 75 per cent of them still prefer to work with their own shorthand notes, although dictating machines are becoming more accepted. They were mentioned fairly frequently as items secretaries wanted. One secretary said she preferred the dictating machine because "I can get more work done when my boss is dictating."

It seems a little easier for a caller to see the boss in person than to reach him by phone; although the secretary's own concept of her role as arbiter on who will and who will not see the boss is not as pronounced as one may suppose.

Over-all, about 50 per cent indicated that they do no screening whatsoever. There are subtle variations in this responsibility, depending on sizes of the companies. In companies under 25 employees, 60 per cent of the secretaries indicate they exercise judgment on who will see or talk to the boss. This drops to 45 per cent in the companies with 25 to 100 employees, and rises to 55 per cent in larger companies.

How secretaries rate the boss

What does the secretary think of your efficiency, personality and your consideration of her? Your secretary probably holds you in high regard on all three counts. Seventy per cent of them give a rating of "excellent" to their bosses, and an additional 20 per cent score their bosses "good." Over-all, bosses scored a little less in efficiency than they did in personality and consideration. This result is more pronounced in the smaller firms than in the larger firms where, presumably, the boss has reached his position by virtue of a reasonable regard for personal efficiency.

Apparently bosses reward their secretaries for this high regard. Not only with a decent place to work—40 per cent of secretaries reported that their offices had been redecorated within the past two years—but also by taking the secretary into their personal confidence. The latter is evidenced by the fact that 65 per cent of the secretaries responding report that they know their bosses' income.

Certain conclusions can be drawn.

There is not a great deal of difference between working in large firms and in small firms, at least in satisfaction with working environment, general responsibilities and regard for the boss. At least, this is true for the executive type of secretary included in the survey.

Where bosses are concerned, they're not doing a whole lot wrong in their secretaries' eyes. Most bosses seem to work well with their secretaries, although a few improvements suggest themselves.

If your secretary handles transportation reservations, does she have the current airline and train schedules to do this job efficiently?

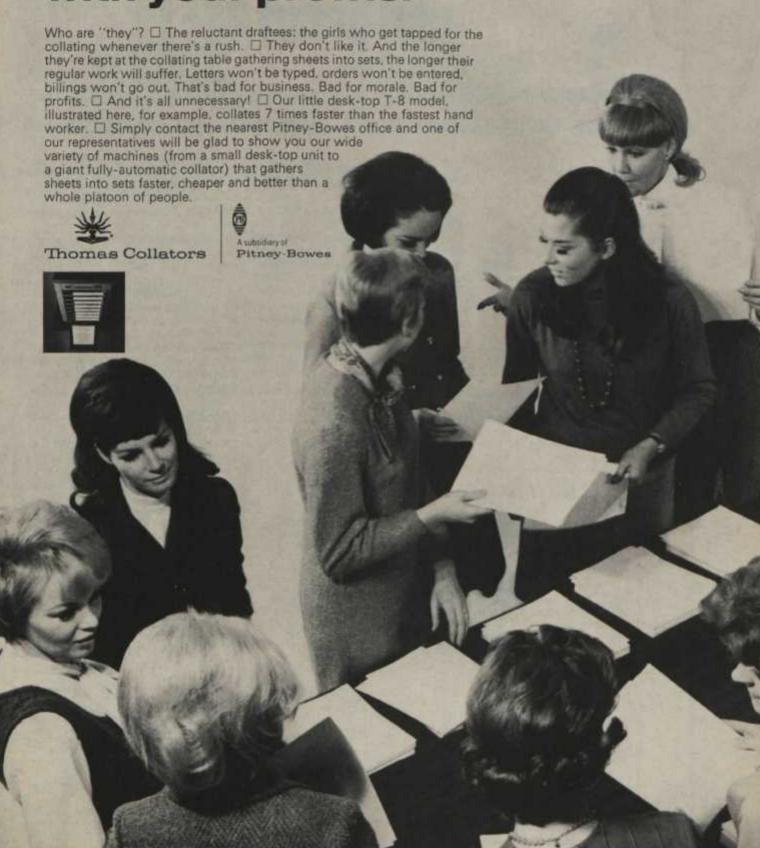
If you're asking her counsel on office supplies and equipment, does she have the necessary background information from your dealer?

You might even suggest that your secretary ask your dealer to send a salesman once in a while.

Finally, if your secretary is going to be the confidential assistant the survey indicates she is, impress on her the need to guard this confidence with the old-fashioned virtues of trustworthiness and loyalty. END



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YOUR OFFICE COSTS CAN BE CUT

Banks, insurance companies and other employers find that time study methods can boost efficiency, cut payroll cost

Of every 100 office workers, 20 to 40 produce nothing.

The average white-collar employee's efficiency is seldom higher than 80 per cent-and often as low as 60.

Today, fewer than five per cent are measured against accurate standards of a fair day's work, although 85 per cent of the blue-collar work-

And by 1970, the United States

will have an estimated 37 million office workers, and only 30 million in the blue-collar class.

This shocking picture was revealed in a recent report to the University of Michigan's Graduate School of Business. It shows that businessmen suffer staggering losses in production and profits as a result of white-collar loafing and wasted motion.

What's the reason for this needless office waste?

Experts don't blame individual with management.

done. The answer offered by experts is not wholesale firing, but greater efficiency through time and motion studies. That means every single task must be measured against a standard time based on a fair day's work. Even how long it takes to open a letter and throw away the envelope, a task that takes the average office employee seven seconds. Or how long it should take to reach into a filing cabinet or to walk back to one's desk and sit down.

With the time requirements noted and recorded, a norm is set, with due allowances made for fatigue, interruptions and other factors.

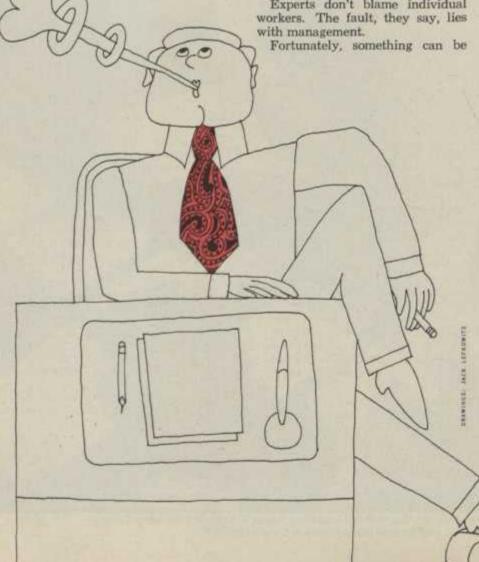
The author of the University of Michigan report is Bruce Payne, a pioneer in office efficiency. A past president of the Society for the Advancement of Management, he heads a management consultant firm with offices in New York, Boston and Los Angeles. He is co-author of "Office Operations Improvement: How to Cut Costs and Improve Morale." Also a former industrial engineer with the Republic Steel Corp. and industrial consultant with National City Bank of Cleveland, Mr. Payne has developed a Clerical-Time Management (CTM) system which has saved millions of dollars for some of America's largest corporations-simply by reducing ordinary office waste through improved procedures.

Key to economy

"Any good program for controlling labor costs must begin by measuring individual production and performance," he explains.

"A supervisor must know who in his section is producing and who is

Poor white-collar performance, he



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HERE'S HOW TO ENTER

Simply fill out and return the entry form below. There's nothing to buy. To be eligible, your return must be postmarked no later than midnight, April 30, 1968.

The winner will be selected by drawing, conducted by Yolton-Owens Associates, an independent judging organization. Winner will be notified by telegraph. Name of winner will be published in May 1968 issue of BUSINESS PRODUCTS, available at most office supply dealers. Offer void wherever prohibited by law. Limited to the United States and possessions. (NOPA dealer members, their employees and families, employees of NOPA headquarters and advertising agencies serving headquarters are not eligible.)

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Same qualifications and rules apply. Simply fill in and mail coupon below. You can decide when your name is drawn which prize you prefer—the OFFICE AT HOME—or the TRIP TO MEXICO CITY.



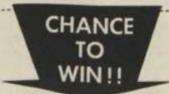
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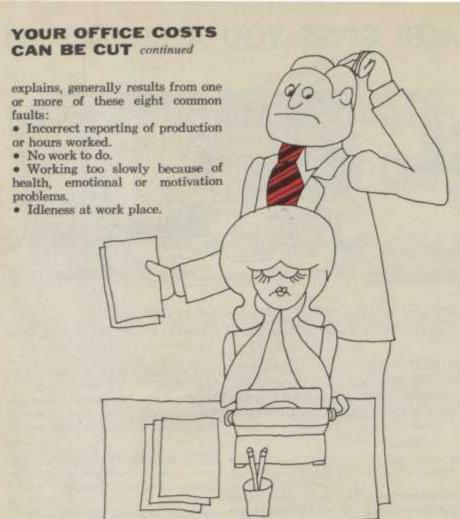


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 Dawdling because of poor supervision.

· Coming late to work.

· Staying out too long for lunch.

· Departing too early.

It was formerly believed that office work couldn't be measured because the tasks were so diverse. Today it is known to be possible with accurate and profitable results. Now alert companies all over the United States are proving it—and without wholesale firings.

Yet businessmen on the whole are in no hurry to realize this. Why?

One reason is that factory workers have traditionally received most of the employee cost-reduction attention because the bulk of the labor dollars used to be spent upon them. Only recently have some employers been sufficiently jolted by spiraling office costs to change their thinking.

Here is an example of applying proper methods to an office task:

A 60-year-old woman was hired to work on a bookkeeping machine. Most of her job consisted in turning her head to look at a document which contained lists of names, then typing the numbers on her machine.

Before long, she complained: "This job is making me nervous." She was turning her head back and forth constantly.

The remedy? That she use for an hour each day for 10 days a Perceptoscope which helps people scan a row of digits and memorize them. After 10 days of training, she found she could memorize longer lists of digits and consequently had to turn her head less often.

Another example: A supervisor in a bank's transcription department was afraid to accept work measurement because he feared it would cut down on his typist staff.

It turned out that the bank had an ancient rule that all dictated letters must be mailed out by 5:00 p.m. the same day—even if many were not dictated until 4:30 p.m.

The department was wildly busy at the closing hour, and had practically nothing to do most of the morning.

Here work measurement accomplished two things.

It persuaded management to waive the old rule, so that letters could be typed the following morning. It also improved the department's morale and efficiency by removing the rush-hour panic and did away with some of the top-heavy staff. Several girls were transferred to another department which needed typists.

Banks are pioneers

Banks, large users of clerical help, are leading the way in measuring office performance. Many are now distributing the work load more evenly after utilizing this yardstick.

New York's Chase Manhattan, the first of 40 banks now using work measurement techniques, began doing so in September, 1962.

It placed 5,000 workers on performance standards. Their total annual salary was formerly \$25 million.

Result? A payroll reduction of 20 per cent-\$5 million annually.

Chase increased its volume of business 30 per cent in the past three years with 700 fewer clerical workers, it reports.

The bank's accounting officer, Robert Holberton, reports that the program now helps guide the company when installing its computers to analyze the profitability of accounts held by firms using its 800 customer services.

Without benefit of work standards as the basis for departmental costs, he adds, the bank's cost analysis program could not have reached its present stage.

In other banks, the system has functioned just as well.

Equitable Trust Co., a large Baltimore bank, started its Operations Improvement Program (OIP) based on Mr. Payne's Clerical-Time Management system two years ago. Six Equitable men were trained to compute work standards and then proceeded to show supervisors how to apply the program.

Result: Employees now "work

smarter, not harder."

Thanks to work measurement, Equitable Trust increased operations with the same size staff. The bank added four new branches, two new departments, increased volume 10 per cent, and handled 25 per cent more paper work.

Where they made savings

How was this accomplished?

Bank analyst David L. Spelman explains: "We asked ourselves how, when and where the work was done, who was doing it and why, and tried to recommend improvements to the supervisor. Sometimes we urged basic changes in the distribution of work or in the methods of filing checks and counting money.

The Idea of the Green Machines.

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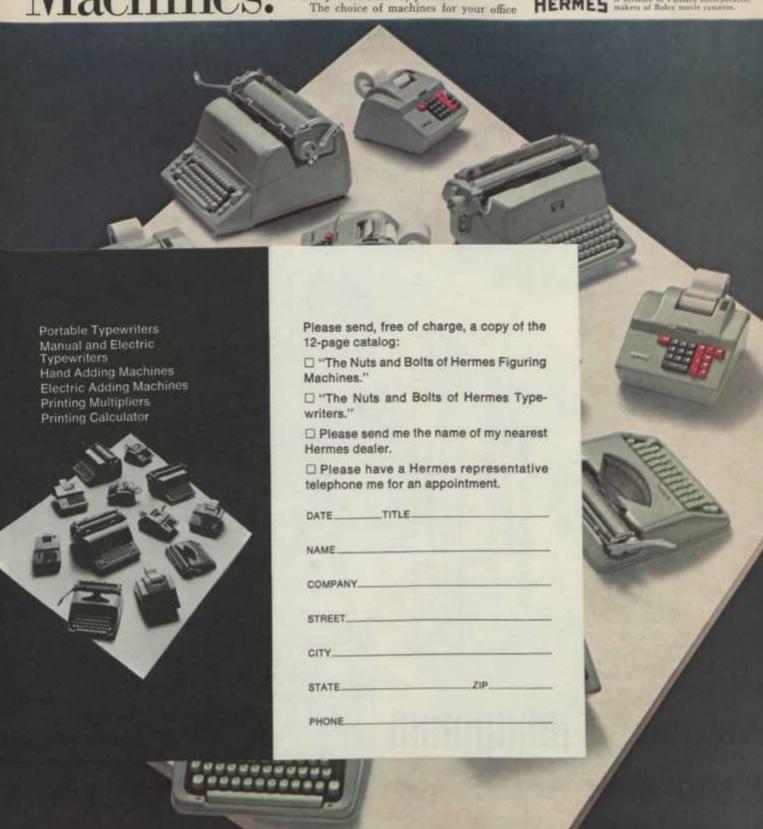
Realizing the diverse jobs to be done in your office, and putting the right machines to the job, can make a difference in the work that goes out of your office.

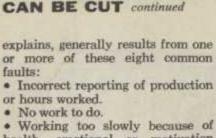
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YOUR OFFICE COSTS

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YOUR OFFICE COSTS CAN BE CUT continued

"The bank made considerable savings even in minuscule, nearly always overlooked operations. For instance, it eliminated from credit and debit tickets an unnecessary handwritten line."

Another bank, the Old Kent Bank and Trust Co., of Grand Rapids, Mich., offers this observation from assistant cashier David A. Radius:

"Work distribution and flow can be plotted and graphed, giving supervisors an interdepartmental control.

"We found that in many of our branches 50 per cent of the week's business was being done on Friday," adds this bank official. "Yet we had the same staff all week. So we were either overstaffed the rest of the week or understaffed on Fri-

"The answer was an ad in our local paper, seeking people willing to work one day a week. Result: We have trained more than 10 parttime tellers already."

Insurance firms, too

Insurance companies are beginning to learn the benefits of work measurement programs, too. Utica Mutual shaved 23 jobs off its organization chart in six months. Government Employees Insurance Co., when setting standards for 600 of its 2,000 white-collar workers, saved more than \$250,000 a year.

The company has an incentive aspect pegged to its measurement program. Thanks to it, one dictation transcriber is now earning \$9,500 a year-nearly double her normal rate.

St. Paul Fire and Marine Insurance Co. estimates that its timestandard program is saving \$600,-000 a year.

This company is looking for 129 more office girls.

"If it weren't for this new efficiency, we would be looking for 200," admits an executive.

Aetna Life Insurance Co., of Hartford, Conn., last year paid out \$1 million saved by work measurement methods in weekly bonuses to employees.

Explains George K. Spoar, pro-gram supervisor: "We have key punch operators consistently getting \$40 a week in bonuses, secretaries who regularly make \$30 extra and file girls receiving a bonus of \$20 to \$30 every week."

Though banks and insurance companies have taken the lead in this exciting new program, some farsighted industries are also getting on the work measurement ball.

North American Rockwell Corp., El Segundo, Calif., formerly had tremendous waste in indirect labor costs, but effectively slashed them. This was achieved not merely in the clerical staff but in the engineering, maintenance, janitorial departments and other support ser-

Ralph E. Larson, program manager of the electronics and electromechanical Autonetic Division reports these results at one reproduction services center alone after six months: Personnel was cut 27 per cent, the average performance standard rose 38 per cent, total cost per standard dollar of product dropped 35 per cent.

Works for others, as well

Other industrial companies now successfully using measurement control office programs include International Business Machines, Joseph E. Seagram & Sons and Singer Sewing Machines.

The Singer Co. has shaved payroll costs 12 to 20 per cent in the United States, more than 15 per cent in Europe and 30 per cent in Latin America. "We attribute these savings to a work measurement program launched four years ago," engineer Robert J. Walsh reports.

The Behr-Manning Division of Norton Co., Troy, N. Y., once considered it top efficiency if a clerk filled 295 supply orders from branch offices each week.

Today its average clerk fills over 400 orders weekly. Others sort an average 2,030 pieces of mail a week -up from 1,545.

Typists turn out 125 letters weekly-up from 72.

Why efficiency's low

Payne researchers found that the office employees working at 50 per cent efficiency generally worked as hard or harder than those attaining a 100 per cent rating.

The reason for this low productivity generally is not knowing the proper or easiest methods," Mr. Payne explains.

"But with adequate instruction and training, a low producer can come close to the standards set. By doing so, an employee who feels inferior will gain confidence and become more content with his job.

"And employees who resent doing more than others will be glad to discover that the freeloaders will have to pull their fair share of the work load.

"Few fear being fired."

"It has usually been thought that a cost reduction program had to step on some toes," Mr. Payne adds "and that normal management-employee relations would suffer. On the contrary, if properly installed and effectively administered, the program actually improves employee relations.

"There will, however, be changes, and these should be discussed. It may be that a person will have to be better trained or equipped to undertake most effectively a particular job. This kind of change should be clearly established in employee communications as a responsibility of supervision and management.

"It is vital that employees participate in defining the methods with the supervisor. He will be the bridge between employees and those installing the program.

"As early as possible, the supervisor (along with the work analyst) should ask for the assistance of his people in stating what they do, how they do it and why it is done that way."

Supervisors the key

Paradoxically, the greatest resistance to work measurement often comes from supervisors who are used to being "overstaffed" and "under-staffed." During peak work load periods, they scream for "extra help."

In slack times, they tend to squir-

rel away employees.

Yet the supervisor is the key to the long-range success of any work measurement program. His openminded attitude must be soughtalong with a willingness for change among the workers under him. Work measurement success calls for cooperation on all levels.

Many businessmen have ducked work measurement because they considered it too complicated. Yet one grateful executive stated: "When we realized that our competitors were reaping its benefits, we tried it and found that our production rose nearly 25 per cent.'

Mr. Payne has this final advice: "The battle to control costs is a never ending one. Fairness to all is a basic part of sweeping out waste through work measurement. However, a worker's performance should be evaluated objectively, not arbitrarily or emotionally. Work measurement puts people where the work is."-JACK HARRISON POLLACK

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Terri Glass (below and left) is a Kelly Services, Inc., "temporary" employed in Washington, D. C.





Sonja Lee holds down a temporary position in San Francisco, Calif., for a client of Western Girl, Inc.

OFFICE IMPROVEMENT

HOW TO GET THE MOST FROM TEMPORARY EMPLOYEES

During the Civil War, Gen. George B. McClellan was commanding the Union forces and conducting "a waiting campaign." He was waiting because he was afraid of making a mistake, so he didn't do anything. Finally things got so bad that President Lincoln was forced to write McClellan a letter:

"My dear McClellan: If you don't want to use the Army, I should like to borrow it for awhile. Yours

respectfully, A. Lincoln.'

In one sense that's what the use of temporary service help is all about. Everyone can't have his own army. But the efficient executive knows where to find one when it's needed, how to get it and how to put it to work.

When it's needed may be the easiest to analyze. For example:

· A California airplane parts manufacturer is converting to an electronic data processing system for inventory control. Change-over period is estimated to be six months, is contractually responsible for completing several major projects by the end of the year with heavy penalties to be imposed if deadlines are not met.

Within a six-week period, a key electrical engineer, a designing specialist and a technical secretary met with accidents and illness which will keep them off the job for indefinite periods of time.

How to solve these problems takes on different dimensions. Yet, despite differences in business scope and budget, management at all four firms is faced with the same challenge:

How to find the best skilled and most experienced personnel in the midst of a tight and more expensive labor market.

For example, is it economically feasible to divert permanent personnel-even for short periods of time-from current assignments?

Or, if additional employees are added to the permanent payroll, to



Theresa Donovan, Newark, N. J., works for Manpower, Inc.

with 15 additional white-collar employees required to augment its current staff of 100.

 A Connecticut-based insurance company has 5,000 employees. It is now automating records for more than one million policyholders. Five hundred extra employees, including programmers, key punch operators, secretaries, typists and clerical assistants are needed for the threeyear program.

· A television station in the South is vying with two other area stations for advertisers' dollars. Its budget does not permit the services of a marketing firm nor expansion of its three-man promotional staff. Yet, the station manager is determined to increase revenue at minimal operating cost.

· A prime utility firm in Michigan

what extent will administrative costs rise?

An increase in costs is inevitable when hiring, training, sick leave, vacation policies and termination expenses for additional permanent workers are computed.

Or, if additional permanent personnel are hired, what are the possible repercussions within the community if these new employees cannot be absorbed elsewhere within the company, once the specific project is completed?

One way to get it done is ex-pressed by T. E. Adderley, president, Kelly Services, Inc., one of the leaders in the \$500 million temporary help service industry. He says: "One of the new solutions to alleviate the pressures on profit margins has been found by imaginative personnel managers and administrative people who use temporary help on a planned basis, purchasing the required service only when and where it is needed."

For peak work-load assistance, for vacation and absence replacements, for short and long-range preplanned projects, the temporary help services are now providing skilled help in more than 125 job classifications. Most requests are for white-collar temporary employ-

Temporary help service economies can range from 18 per cent to 35 per cent. Nonetheless, many businessmen still identify its activities with those of employment agencies.

Actually, temporary workers are the employees of the temporary help service firm for whom they work. As such, they don't pay a fee to anyone. Temporaries are paid the prevailing rate within the community where the temporary assignment is fulfilled and are paid directly by their temporary help service employer.

The customer is billed a service charge which covers direct costs for the hours worked plus indirect costs, which the temporary help service is responsible for. These include such costs as social security, workmen's compensation, bonding.

taxes.

However, when direct and indirect costs are tallied, the actual hourly cost for temporaries may be less than for permanent help.

However, the opportunity to reduce costs does not rely on "buying hours" at a lower rate. The big savings result when premium hours of overtime or down-time can be avoided.

Some economists are now predicting that the temporary help service industry will reach \$1 billion in sales before 1972.

How to select a firm

How does one select and use most profitably a temporary help service organization? The decision is not an easy one. There are several hundred such firms throughout the country listed in the yellow pages.

Management experts concur that the best time to select a firm is when an emergency does not exist. Before deciding upon one specific company for temporary help needs, it is wise to do some checking.

How long has it been in business? Are business references available for satisfied users?

What is its general reputation for

Let's explode some myths about temporary help



MYTH No.1— If you've used one, you've used them all. Let's blast that one right now. Olsten Temporary Services has developed special tests and screening techniques to measure skill and performance. If people don't qualify, we don't hire them, Because only the very best are good enough for an Olsten client, MYTH No.2— Wow, are they expensive! Actually, we're not. Olsten temporaries can save you money. Hire them for a specific assignment and release them when the job is done. You pay only for the hours worked. That way recruiting costs go down. So do bookkeeping expenses and benefit payments.

MYTH No.3— Use them only if you're desperate. This is the most dangerous myth of all. Use Oisten temporaries regularly and you can cope with any situation; avoid costly backlogs. That's why so many companies are joining the Oisten Revolution.

Explode a few myths of your own by writing for our free booklet, Olsten is a Temporary Revolution, Olsten Temporary Services, Promotion Department, 152 West 42nd Street, New York, N. Y. 10036. Your nearest Olsten office is listed in the white pages of your phone book. Of

fices Coast to Coast and in Canada.





HOW TO GET THE MOST FROM TEMPORARY EMPLOYEES continued

service and quality of personnel supplied?

Does it screen and test applicants properly?

Are its employees indoctrinated? Is work performance rated periodically?

Does it offer the right kind of personnel for your needs?

Is its service guaranteed? Bonded? Covered by personal and general liability insurance?

These criteria are met satisfactorily by temporary help services contractors such as Kelly Services, Manpower, Inc.; Western Girl, Inc.; Olsten Temporary Services and Employer's Overload Co.

Businessmen can expect to find hourly charges similar in a specific area. Different firms, however, may well offer differences in service, experience of personnel, range of skills available, aptitudes and attitudes of temporary workers.

The client pays only for the hours worked. Most reputable temporary services guarantee their workers' performance. Whenever possible substitutes are provided immediately and there is generally no charge for unsatisfactory services which are reported promptly.

Specialists, too

Cost-cutting and efficiency can coexist through special services furnished by the major temporary help service firms. Trained and experienced teams are made available to accomplish the transition from manual to electronic data processing smoothly. It is during this time that a company must staff two operations simultaneously. The routine invoicing and administrative records must be maintained while the new system is being installed and employees are being trained to run it.

Some temporary help services will also furnish estimates on a fixed-price basis for projects such as stock transfer, special mailings of literature, product samples, quarterly and annual reports and newsletters; calculations and extension of inventories; updating price lists; handling employee W-2 forms. Even

off-premise transcription of peakload dictation can be arranged for. So can data processing of every type and description. Even temporary bank tellers are available.

Although white collar temporary needs are the most pressing, in recent years there has been increasing demand by cost-conscious company managements for professional and technical services on a temporary basis. It is not unusual to find accountants, administrators, sales and marketing executives, engineers, draftsmen, chemists, mathematicians, architects, writers and other highly trained specialists working on term projects.

A similar situation exists for semi- and unskilled labor personnel such as materials handlers, plant maintenance workers, freight car unloaders, assemblers, and so forth

Marketing and merchandising temporary employees are also available for new product introduction, surveys and opinion polls, mystery and comparison shopping, telephone canvassing, seasonal selling, convention and trade-show assistance.

Contrary to popular belief, popping in and out of jobs calls for more than average ability. This is especially true when a company guarantees the services of its temporary employees. However, research indicates that many companies can use the services of temporary employees more advantageously and effectively.

How to use temporary help

John J. Brandt, vice president-Kelly Girl Division, Kelly Services, says: "Surveys show that our people are happiest in their assignments and do their best work when they have a challenging job and a demanding supervisor."

Based on his company's experience during the past 22 years, Mr. Brandt furnishes these guidelines for efficient use of temporary office personnel:

 Determine the clerical workload in advance.

Estimate needs and costs as accurately as possible. Will it be Lyon doesn't Stop with the most Durable Finish



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HOW TO GET MOST FROM TEMPORARY EMPLOYEES continued

more economical, for instance, to hire six 55 words per minute typists or three 85 words per minute typists for the 225,000 stock certificate mailing?

2. Detail the actual job description.

Assess all requirements of an assignment before calling a temporary help service. A typist may be outstanding for manuscripts, but a dud with statistical typing. Similarly, if the dictation is to be slow and thoughtful rather than rapid-fire, is there need for a 125 words per minute secretary? If a secretary familiar with sales terms or special technical words is essential, say so. Don't request a typist, if a receptionist with limited typing ability will do.

When ordering temporary help, the full and proper job description may save as much as 60 cents an hour per person.

3. Preplan the work.

Before the temporary arrives, have a complete step-by-step job instruction sheet written. If it's for a planned project, is the estimated time for completion realistic? Vacation replacements will have higher efficiency at less cost if permanent employees outline job duties before they take off for fun and sun.

Advise permanent employees in advance.

Explanations are easier than rumors and uneasy feelings among permanent employees. Make sure they understand the temporaries will be there for special needs and are not competing for their jobs. Ask them to be helpful and cooperate in whatever way they can.

5. Precheck office and physical facilities.

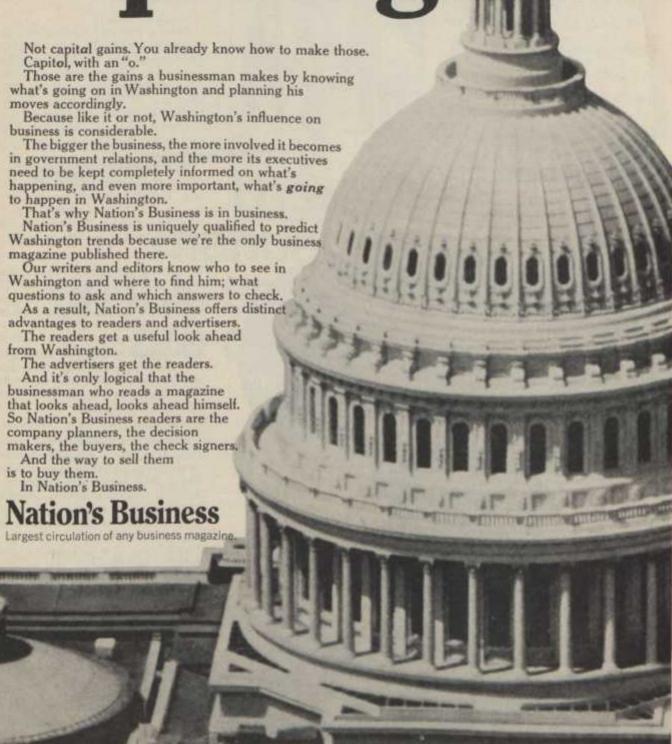
Has the equipment been checked to assure it is in good working order? Is physical space adequate? If supplies are needed, have they been arranged for in advance? Are rulers, erasers, tape accessible?

Plan for the arrival of temporary employees.

Make sure someone has been designated to be there at starting

S-40





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HOW TO GET MOST FROM TEMPORARY EMPLOYEES continued

time to show them where clothing is to be placed, where work is to be accomplished, where lounges are located and to introduce them to other employees.

Explain verbally.

Review the step-by-step job instruction sheet. Is it completely understood? It's wise to designate someone to supervise temporary employees, someone to whom questions can be directed and who can be responsible for checking the output periodically to make sure all aspects of the job are completely understood.

Five minutes of thoughtful explanation at the start of a working day and hourly supervisory checking may save an hour or more in repeated work activities. Genuine interest will also result in higher productivity.

8. Review company procedures. What is the time schedule for lunches, coffee breaks? If it's more than a one-day assignment, are incoming calls permitted?

Major temporary help services indoctrinate employees concerning the need for complete discretion within and outside the company. This aspect can be stressed again with tact and firmness,

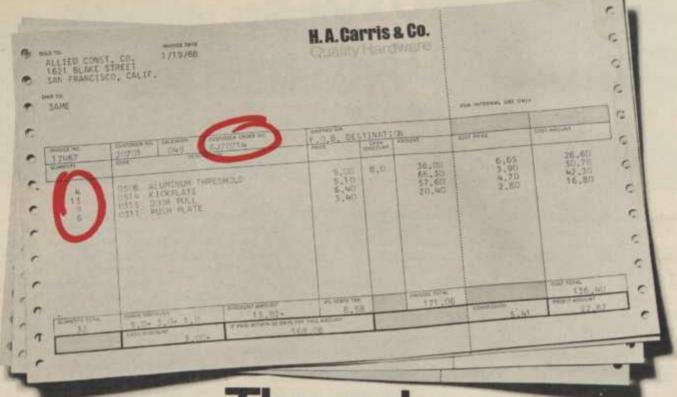
9. Don't push.

Studies have repeatedly shown that temporary employees often work more efficiently and productively than permanent employees. Special prodding is not needed. Their motivation often is greater; they are also not apt to be distracted through in-company cliques or friendships. If a worker is not performing satisfactorily, call the temporary service within three hours and explain the situation. It will be adjusted satisfactorily.

10. Evaluate over-all performance.

A review of each detail in the assignment (especially on projects involving many temporaries) may suggest improvements—ways to do it better. Your temporary service firm should help you find ways to improve profit and reduce unnecessary expenses.

END



The only manual entries on this sell-cost invoice are circled in red.

Everything else was entered automatically by a 5610 COMPUTYPER* data processor by Friden.

Briefly, here's what the machine did:

 It entered the customer's name and address, the date, invoice number, customer number, salesman, and shipping instructions—everything except the customer order number.

 After the operator entered the quantity, the 5610 automatically typed the item code and description, selected the appropriate price and discount, then computed net amount and cost amount.

3. When the line items were completed, the

machine computed and typed all invoice totals, including quantity, discount amount, state tax, cash discount, net amount, salesman's commission, and profit.

The 5610 did all this with its stored program plus punched paper tape and edge-punched cards. The opportunities for operator error were virtually nil. And while she was preparing the invoice, the 5610 was storing information (like daily totals, total commissions, etc.) for use in typing management reports.

Again, automatically.

Cost-sell invoicing is just one of many accounting, billing, and statistical applications the 5610 could have in your company. At a leased price of about \$300 a month.

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METAL

THE WAY TO END POWER BLACKOUTS

BY CHARLES F. AVILA

President of Edison Electric Institute and Chairman of the Board, Boston Edison Co.

The Federal Power Commission is seeking Congressional passage of what it terms an "Electric Power Reliability Act," a piece of far-ranging legislation ostensibly designed to improve electric service.

But the proposed legislation would attempt to deal with technological and economic problems through political means. It would substitute government fiat for the experienced judgment and know-how of electric utility engineers, a judgment that to date has been exercised in a spirit of industry-wide cooperation.

The legislation was born in the wake of a limited number of electric power blackouts in recent years. The stated aim of the legislation is:

"To amend the Federal Power Act to facilitate the provision of reliable, abundant and economical electric power supply, by strengthening existing mechanisms for coordination of electric utility systems and encouraging the installation and use of the products of advancing technology with due regard for the proper conservation of scenic and other natural resources."

No one could oppose such motives. However, the bill authorizes the Federal Power Commission to: • Set up regional, electric power-

 Set up regional, electric powerplanning organizations with authority to make rules.

 Pass on proposed construction of most transmission lines.

 Set standards for all bulk power supply systems.

 Force interconnections between utilities engaged in power generation or transmission where the Commission thinks necessary.

 Have the final say-so in the abandonment of bulk power service.

 Determine land-use questions involving aesthetic and other considerations.

 Establish a national committee to investigate bulk power supply problems.

The proposed legislation almost completely disregards the 99.98 per cent reliability record of the U. S. electric utility industry, a record unsurpassed anywhere in the world, and increasing cooperation between various segments of the industry and the Federal Power Commission.

We believe the most effective way to assure reliability is through the continued orderly process of interconnection and coordination of electric utility systems on the basis of geographical areas of manageable size.

Continued voluntary cooperation is essential to reliability. The bill would destroy this.

If FPC has final say

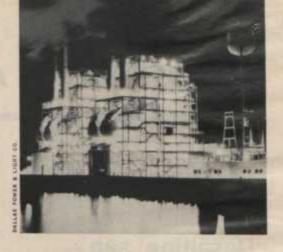
The mandate of the Commission should not be expanded from regulation to management, administration and adjudication of crucial operations of the industry. If the FPC makes final decisions on planning and building of facilities, it would create delays and uncertainties which would weaken reliability.

C. A. Erdahl, director of utilities for the City of Tacoma's municipally-owned system, testified to law-makers that it presently takes a minimum of two years to plan and build a transmission line. He said the proposed legislation could delay construction for several years and by that time conditions could have changed so much that a different arrangement would be needed.

Lelan F. Sillin Jr., president and chief executive officer of Central Hudson Gas & Electric Corp. and chairman of the Executive Advisory Commission to the FPC, spelled out the delays inherent in the bill, too:

"Once land use and aesthetics become issues, every property owner has a right to be heard. While state and local procedures have been developed to protect these interests, the procedures are applied in a multiplicity of forums, thus avoiding an unmanageable burden being placed on any one forum.

"The Commission is now proposing itself as the single forum to hear and decide such matters on a country-wide basis for all lines over 200



kilovolts, using its rather cumbersome procedures of application, public notice, petition to intervene, answer to petition to intervene, order fixing hearing date, prehearing conference, hearing, briefs to the presiding examiner, reply briefs to the presiding examiner, initial decision by the presiding examiner, exceptions to the initial decision, reply to exceptions, Commission's opinion and order, petition for rehearing. and final order. . . . The time interval between just the replies to exception and a Commission opinion may exceed two years."

Above and beyond this there is the ominous indication that it would take away management's authority and responsibility to make management decisions and place them in the hands of government. This could make it difficult—even impossible—for electric utilities to attract the capital necessary to expand and improve the reliability of their operations.

Investor-owned electric powerplant and equipment investment reached the \$70 billion mark last year, and half of the total construction expenditures of \$34.6 billion for the years 1968 through 1972 are expected to be financed by security offerings.

Progress on its own

Since 1965, the industry has been making giant strides in reliability. Technical advances have been made and, in a parallel development, the industry has been forming area "coordinating" groups. About 12 of these large regional groups are now in development. They cover the nation.

Area reliability contracts have been signed or will soon be signed. Interarea contracts in some parts of the country also are being written.

The investor-owned electric utility industry recognizes the public's interest in having as reliable a source of electric power as is humanly possible, and is determined to serve that interest.

BUSINESS: A LOOK AHEAD

'Desalting' sap

(Agriculture)

Less government competition?

(Credit and Finance)

Lighting means business

(Marketing)

AGRICULTURE

Techniques used to remove salt from seawater are being adapted for cheaper food processing.

The Agriculture Department's research division says these techniques can be used to remove water from liquid foods to produce high-quality concentrates.

The process used involves reverse osmosis. Highly concentrated liquids are separated from less concentrated liquids through tough membranes.

Researchers claim it eliminates long heating periods required for evaporation, cuts costs, reclaims food matter now lost as waste and preserves flavor.

First commercial application begins this spring in processing maple syrup. The process also has been tested on cheese whey, milk, coffee and some fruit and vegetable juices.

Experimental units are being built commercially now as research and development tools for food processing companies.

CONSTRUCTION

A raft of construction projects employing new techniques is under way, including some promising lower costs.

The prefabricated, concrete box approach exemplified by the Habitat project at Canada's Expo 67 is being tried at an apartment project in Richmond, Calif., and a hotel in San Antonio, Texas, and is being discussed for a housing project in Washington, D. C.

Another prefab box approach, with units supplied by a mobile home manufacturer, helped cut costs for a low-income housing project in Vicksburg, Miss.

The Federal Housing Administration has just approved a low-income demonstration project in Detroit. It involves lightweight concrete postand-beam construction of three-story homes.

So-called industrialized housing, with precast wall panels, floors and ceiling slabs widely used in Russia and Western Europe, has been applied in the Northeastern United States.

Government observers remark, however, that many real economies must await changes in building codes, especially in such high-cost facilities as plumbing.

CREDIT & FINANCE

There's a new move afoot to reduce government lending for public works that private banking can handle.

The agency most directly involved is Commerce Department's Economic Development Administration, which finances job-creating public works through loans or grants in the shrinking number of economically depressed areas.

EDA sources say they want maximum impact from available funds—their budget for such projects is \$175 million this year—by limiting loans to projects where private investment bankers won't bid or their bids seem out of line. And the less the agency lends, the more it has available for grants.

Investment bankers have long complained that many government agencies, including EDA, make loans the private market can handle.

One solution under consideration in EDA would have applicants for government loans negotiate contracts with private lenders. The banker acting as fiscal agent would prepare the issue for public offering, and EDA would step in and make a loan if no private bids were received or the bids exceeded terms prevailing in the marketplace for similar issues.

Some sources believe this approach, if successful with EDA, might be applied to other federal lending agencies, including Farmers Home Administration, which is involved in a number of small-town projects.

FOREIGN TRADE

Pressure on the U. S. dollar steps up drive to lure foreign travelers here.

A high-level task force is working to reduce costs to foreign tourists, seeking cost-free admission to some tourist attractions, discounts on sightseeing tours, lower costs for car rentals and hotel accommodations.

There's a move, too, toward reduction in air fares for international flights, also tending to reduce cost of the trip.

U. S. airlines have worked out a 50 per cent discount for travel within the country for foreign tourists.

The new procedure requires a minimum payment of \$79, a minimum stay of 14 days, visits to at least three cities. Discounts would apply to the first 30 days of travel here and affect first-class and coach fares.

A few days ago, a Presidential panel proposed essentially the same type of plan.

It's estimated the program would bring in 100,000 tourists annually.



Habitat 67, unveiled at Canada's world's fair last year, is an example of one of the revolutionary, new construction ideas.

MANUFACTURING

New York State may be the scene of the next battle over payment of unemployment benefits to workers on strike.

Some manufacturers in the state are thinking of launching a campaign to repeal the strike-benefit provision of state law as have five other states.

The most recent was New Jersey, where a 2-1 Democratic majority in the legislature was turned out in a 3-1 Republican sweep last fall after a campaign in which the law was a key issue. (See "How Businessmen Can Swing Votes," January, 1968.)

New Jersey's repeal bill was rushed through the legislature early this year —in the State Senate it was the first order of business, bill S-1—and signed by Gov. Richard J. Hughes over bitter protest by organized labor.

Leaders in the New Jersey campaign have been contacted by New York manufacturers anxious to assess their own prospects for success in any similar campaign.

Organized labor's own political position hasn't been helped by sanitation workers strike last month that left tons of garbage piling up on New York streets.

MARKETING

Street-lighting improvements undertaken as safety and anticrime measures mean increased business for downtown merchants.

General Electric says reports from Kansas City, Mo., indicate merchants and police find business up and crime down in a 30-block central business district area where 500 lights were recently installed at a cost of \$146,000.

No detailed figures are available for Kansas City, which is expanding improvements to another 32-block area.

Some statistics are available for St. Louis, where a street-lighting project was completed in 1964, says GE. There downtown business decreased 20 per cent in 1957-61 and by another 17 per cent in 1961-65. But it picked up by two or three per cent in 1966 over 1965, and the lighting project is credited with helping "turn the corner."

The company cautions that, in both cities, other improvements were undertaken, that outdoor lighting was just one important element in a snow-balling effect.

It emphasizes anticrime and safety advantages in its marketing effort, rather than benefits to downtown business.

In St. Louis, for example, one report a year ago said that since lighting was improved in late 1964, street crimes against persons were down 40 per cent, car thefts 29 per cent and business burglaries 13 per cent

NATURAL RESOURCES

Nuclear energy is steaming ahead as a growing source of electric power generation.

It's estimated that between now and 1980, 150,000 megawatts of nuclear power capacity will be built, representing more than a third of the nation's total capacity.

Early this year there were 15 nuclear power plants in operation in the United States, 21 under construction; firm orders had been placed for 40 more and an additional 12 were planned.

Equally important as the number of plants is the fact that the trend is now toward larger plants.

Sen. George Aiken of Vermont, sponsor of legislation in the power field, notes that nuclear energy is on a par with or cheaper than potential hydroelectric sources in his own state.

TRANSPORTATION

Trend toward big containers in air freight encourages industry people concerned about economics of jumbo transports. Jumbos will come into use in early 1970's.

Air Transport Association says some feel that 80 per cent of air freight must move in containers by 1980 to achieve economies.

That means lots of containers, some ranging in size up to eight by eight by 40 feet.

Airlines began program of special low rates for container shipments in late 1966. First-year operation carried 40 million pounds of air freight, or 31.5 million ton-miles.

Significantly, second six-month period saw 22.3 million ton-miles moved as against 9.2 million in the first, indicating speed at which the program caught on. Over the same period, total air freight shipments increased 18 per cent.

Civil Aeronautics Board gave approval last month for the program to continue another year and for new type of container to be used. So far, the most popular category is a container with 63 cubic foot capacity and minimum load of 500 pounds.

READY FOR ANY WAR

POSTON, UPIL CONTROL - BLACK STAR

General Dynamics' nearly mile-long production line is a bustle of activity as parts are mated to produce the finished F-111 warplane.

OUR MOST FANTASTIC FLYING MACHINE

What kind of bird can fly in any weather, hang in the sky or surge to supersonic speed, soar across any ocean, climb into thin air or skim the ground with unerring calm, stop on a dime and carry on its back a crew of humans in shirt-sleeve comfort?

This bird is man-made. It's the F-111 (formerly the TFX), probably the most fantastic flying machine American ingenuity has ever conceived. Certainly it is the most sophisticated and the most controversial airplane that industry has turned out.

As it converts contractual promises to proven capabilities, it's showing it can do more things well than any other warplane.

All this is a tribute to the men and companies who've built the plane and its amazing components in the midst of a political whirlpool. And it's a tribute to the mili-

Associate Editor Robert W. Irelan wrote this article after talking to the pilots who fly the F-111, mechanics who maintain it and men in companies that build it.



Wings swept back against its body, the F-111 streaks toward a target at more than twice the speed of sound.

tary men who are flying it day and night to make themselves and the plane combat ready.

The conclusion that the F-111 is an amazingly versatile, highly effective weapons system and not the "Flying Edsel" some of its detractors contend, comes after dozens of interviews with the brass who command it, the combat veterans who fly it and the mechanics who maintain it. A NATION'S BUSINESS editor went to Ft. Worth, Texas, where prime contractor General Dynamics Corp. is assembling the plane; to Nellis Air Force Base, Nevada, where crews are getting to know it; to the Pentagon, and to Capitol Hill

"We have nothing but good news; this plane is an unprecedented success," says Air Force Brig. Gen. Ralph G. Taylor, whose job is to be critical. As commander of the Tactical Fighter Weapons Center at Nellis Air Force Base, a few miles northeast of Las Vegas, he's responsible for the quality of the equipment and the crews.

Every pilot who'll fly the F-111A, the version assigned to the Tactical Air Command, will be checked out at Nellis.

"We need a bird like this in Viet Nam," comments Maj. Kenneth Blank, a crew-cut Nebraskan who flew combat in Korea and, during one of his 100 missions in Viet Nam, became the first F-105 pilot to down a Russian-built MIG.

"It gives us an all-weather, day or night aircraft; it can fly when nothing else can get up."

Interrupted while scrutinizing radar pictures, Korea combat veteran Lt. Col. Ed Palmgren agrees: "It flies like a Cadillac. It's a darn fine plane—a very fine low-altitude penetrator."

First of its kind

What's so special about the F-111? Mostly it's the many things it can do well. It has stretched the art of aircraft building dramatically.

It is the first operational U.S. aircraft with variable-sweep wings that allow the pilot to shape his plane for the job he wants it to do. By moving a lever in the co-kpit, he can extend the wings almost

at right angles to the fuselage, giving him maximum lift for takeoff from short airfields and allowing landings at about 100 miles per hour. With the wings fully extended, the F-111 can loll in the skies for hours or fly nonstop and without aerial refueling to most overseas bases.

Then, to attain high- or low-level supersonic speeds, the pilot can sweep the wings back against the fuselage. Previous swing-wing planes, which never reached the operational stage, caused balance problems. By contrast, the F-111, as Maj. Ken Blank puts it, "feels the same" in all configurations.

Other jet fighter planes pop out a drag chute when landing to slow them down; if the chute fails, there's a chance of overshooting the runway. The F-111 doesn't have or need a drag chute. With wings extended, "it feels almost like a glider coming in," the pilots say, stopping in less than 2,000 feet if it has to.

Within these versatile wings, wherever mechanical complexity will allow, is fuel storage to stretch the war plane's range.

A revolutionary new way to pro-

OUR MOST FANTASTIC FLYING MACHINE continued

tect the plane's crew against drastic environmental changes had to be devised. The F-111 can do better than 1,650 miles an hour at altitudes of more than 60,000 feet and can dash through the denser air just above treetops at speeds of more than 900 miles an hour.

This job went to McDonnell Douglas Corp., the St. Louis-based maker of the highly-effective F-4 fighter plane and the Mercury and

Gemini spacecraft.

A pilot couldn't eject from an F-111 unprotected; he simply couldn't survive the blast of air. So. McDonnell Douglas made his cockpit into a survival capsule. By pulling a pistol-grip release stick next to his seat, the pilot sets off an explosion that guillotines the crew module from the fuselage. A rocket motor propels the capsule clear of the plane. This ejection system can be used at every speed and every altitude. All the time, the pilot and copilot are kept at shirt-sleeve comfort in their pressurized cabin.

In an emergency, if the fliers need to evacuate the plane on the runway, the rocket fires their capsule up and behind the plane, nearly 500 feet into the air. Chutes open, landing pads inflate and the module lands as gently as a paratrooper. When the module is ejected, it takes a small part of the wings with it for stability.

Should the plane be forced down at sea, the module automatically rises to the surface and rights itself. It's watertight, but if a leak occurs, both the pilot's and copilot's control sticks can be used as bilge pumps. Pumping them in the opposite direction keeps the capsule's

flotation bags inflated.

The capsule has survival and protection equipment, too. If the two-man crew is descanding in friendly territory it can expel metallic chaff on the way down to make radar detection easier.

The capsule ejection has been tested, and it works. On one test run, pilots had to desert a research and development-model F-111. The only physical damage to the crew was a nicked thumb one pilot got climbing through a barbed wire fence after the safe landing.

Pilots rave about the craft's avionics (short for aviation electron-"It's fantastic," says pipesmoking Air Force Capt. Joe Keene, who flew F-4's in Viet Nam combat.

Perhaps the most revolutionary of the avionics subsystems is the F-111's terrain-following radar (TFR), supplied by Texas Instruments, Inc. This allows the pilots automatically to bug the terrain's profile at supersonic speeds and below the enemy radar's eye level.

"The TFR's tremen lous. You don't need anything but self-control," maintains Lt. Colonel Palmgren. He's referring to the natural instinct to pull the plane up as it nears a radio tower or hillside. But the system, itself, does that.

General Taylor recalls his first flight more than a year are using the TFR: "We headed straight for this mountain. The first two passes I wouldn't let the system do it; then the third time I did, and she

climbed right over."

Ideal for Far East

The F-111's TFR will have special advantages in hilly countries of the Far East, Maj. Ken Blank contends. "Up to now in Viet Nam, we haven't been able to let down as much as we wanted because of the sharp peaks and valleys. Now we'll be able to do it."

The TFR constantly looks down, ahead and to each side. Signals are sent to the autopilot for automatic flight, or displayed on a cockpit instrument for manual flight. And should any of the TFR's circuits fail, the system automatically sends the aircraft into a sharp climb to a higher, safer altitude.

Another part of the plane's avionics, its flight control system, is, to use Pentagonese, self-adaptive, This means that electronic sensors and computers measure the aircraft's motions and compensate for any deviations with direct com-

mands to the controls.

For example, if atmospheric conditions suddenly change as with strong gusts of wind, the system automatically makes adjustments for pitch, roll or yaw-even before the pilot senses they're needed.

The flight control system, developed by General Electric Co., is "triply redundant." Three separate electronic circuits work simultaneously, and if any one fails, it is automatically ignored while the others carry on.

Look at some of the other guidance systems. Using his radar and on-board computers, the pilot knows his position precisely. Specifications allow two miles of error for two hours of flight, says George

Davis, a former test pilot and General Dynamics' top man working with Air Force crews at Nellis. "We've been performing at one-half that error," he notes.

The system supplies data for automatic radar bombing. It also allows the F-111 to make instrument landings on any runway, even those not equipped with radio or radar landing aids.

An attack radar gives a clear picture of ground or airborne targets, regardless of visibility, and at the same time tells the changing range between the plane and target, corrects any navigational errors and does radar photography.

Finally, a computing sight and a missile-launch computer enable the two-man crew to fire guns and missiles accurately by using data shown on the instrument panel.

Perhaps overstating the qualities to make his point, Ken Blank says "the avionics are 1,000 per cent better than I'm used to."

"The radar systems are better than we thought they'd be," comments Col. Ivan H. Dethman, raising his voice to offset the loud window-rattling caused by a departing jet, "We have done everything with this plane it was supposed to do," says the man who commands the 428th Tactical Fighter Squadron, the first operational unit to get the F-111A. "This is and will be an excellent fighter-bomber," the Colonel maintains.

Senator Cannon's praise

"With these electronics, you can drop a bomb in a pickle barrel," Sen. Howard W. Cannon (D., Nevada) tells Nation's Business. He ought to know. As a Major General in the Air Force Reserve, Senato: Cannon has flown just about every kind of combat plane in the U. S. inventory and last October became the first nonactive duty pilot to fly the F-111A.

The Senator, whose office is adorned with a "Mach 2" certificate and droves of scale models of the military aircraft he's flown, has no axe to grind. None of the contractors for the F-111 is in his state. and Nellis Air Force Base would be in Nevada whether or not the plane was. But he grows impatient with some of the plane's critics in Washington. "To find out if this is a good or bad plane," he says, "talk to the people who fly it and the people who maintain it."

The F-111 also marks a break-

MPEKIA

If you want more than luxury in your luxury car



Water the Bob Hope Show on NBC-TV

Arrive home ready for home. Why fight your way home from work when you can relax your way home-in a 1968 Imperial.

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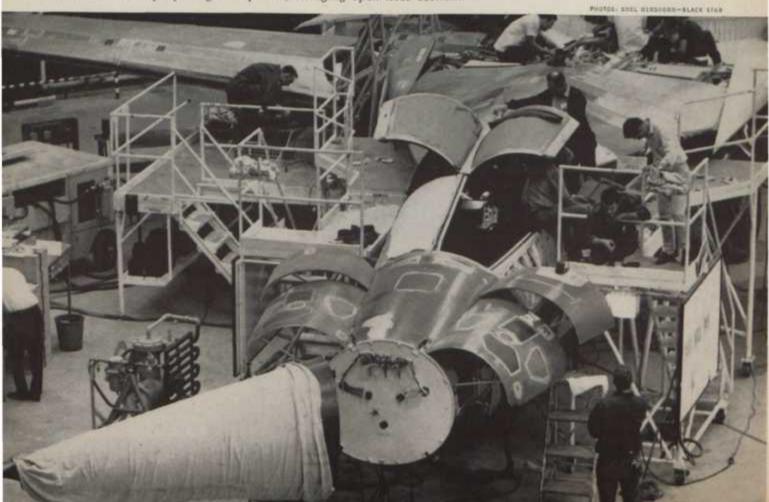
IMPERIAL CHRYSLER





Ease of servicing was required by the Pentagon, built in by the contractor, Col. Ivan H. Dethman, F-111 squadron commander, chats with mechanic during pre-flight check.

Seating in the plane is side-by-side, most servicing can be done at shoulder level by opening side panels, swinging open nose section.



OUR MOST FANTASTIC FLYING MACHINE

continued

through in jet engine technology. It's the first to mate a turbofan engine, for fuel economy for longrange subsonic flight, with an afterburner, for added thrust for takeoff

and supe sonic flight.

The afterburner, unlike its predecessors, gives the pilot a choice of five settings. Previously, when a pilot went to afterburner, he went "all out." He got maximum thrust also burned tremendous amounts of fuel. The F-111's afterburner gives the pilot a choice of

Each F-111 is powered by two of these TF-30 engines built by United Aircraft Corp.'s Pratt & Whitney Aircraft Division. There have been bothersome problems mating the engines and the air inlets on the plane, but both contractors and pilots agree they've been solved.

Easy to maintain

Reliability and maintainability were designed into the F-111. They had to be; the Air Force and Navy set the most stringent requirements ever for a combat aircraft. Among other things, each F-111 must start to taxi for take off within five minutes after an alert; must be able to take off within 30 minutes after returning from a previous mission; and must require no more than 15 minutes for identifying any fault.

In calling the plane "an unprece-General Taylor dented success," says he is measuring it two ways: First, utilization. "We are averaging 58-to-60 hours per aircraft per month flying time, twice what we

get with other aircraft."

As for the second measurement, maintenance, the General, who wears combat and service ribbons about three inches deep on his chest, notes: "We couldn't have had any real problems and be where we are with this plane,"

The plane is designed to require minimum maintenance man-hours

per flying hour.

Maintenance is Maj. Bob Autry's business. The genial Alabamian is maintenance officer for the F-111 squadron at Nellis. Sipping coffee, he says: "I've worked F-100's, F-86's, and you can't beat this bird. We're real happy with it."

Faced with stringent reliability and maintainability requirements, General Dynamics and its subcontractors made the F-111 the most accessible aircraft for servicing yet built. They did away with most of



It's Brig. Gen. Ralph G. Taylor's job to be critical, but he calls the new plane an unprecedented success. Few problems, high utilization, long tire wear impress M/Sgt Charles Hennessee.

the ground support equipment by building self-testers into as many components as they could. By flipping a dial past various numbered settings, a maintenance man can pinpoint a problem or determine if the unit is A-okay.

If it's defective, he loosens a couple of screws, slides the component out and slips in a fresh one.

Ninety-five per cent of the plane's parts can be removed without first removing another part, and most of the servicing can be done at shoulder height.

Master Sgt. Charles B. Hennessee, who has spent 23 years in flight-line maintenance and now is line chief for the first detachment of the first F-111 squadron, puts it this way: "There's no comparing this with any other plane in maintenance accessibility. You don't have to rip half the plane apart to get at something."

The burly sergeant walks around a parked F-111 and continues his praise: "I brought the F-4 (considered our best combat plane in Viet Nam) into the Air Force inventory, and we've had fewer problems with this plane than that."

He points to the plane's tires. "Normally, we get 30 landings on a set of fighter plane tires, if we're fortunate. This plane has 85, and we've got another 25, I guess." The maintenance men will know when it's time to change the tire because red cord will begin to show.

To point up the ease of maintenance, Bob Autry adds: "I've got Airmen First Class doing what it used to take Master Sergeants to

Awesome armory

You crouch down under the nose landing gear to see where the 20millimeter Gatling gun is housed; it can fire 6,000 rounds a minute and the canister for just 2,000 rounds looks like an 80-gallon hotwater heater.

The F-111 can carry nearly all known or planned nuclear or nonnuclear weapons from bombs to rockets. All versions of the plane have an internal weapons bay, but they also can hang tons of destruction on wing pylons. On the tactical fighter and strategic bomber versions of the F-111, for example, there can be eight pylons.

The F-111 is one of the few fighter-type planes with side-byside seating; most are one behind the other. Such seating allows a

OUR MOST FANTASTIC FLYING MACHINE continued

shorter cockpit, less duplication of controls, more coordination with the other crew member and, as one pilot puts it, "four eyes looking out front instead of two."

Colonel Al Esposito, assistant for the F-111 system program at the Pentagon, emphasizes the plane's ability to fly very low at very high speeds. A MIG-21, the Soviet Union's most modern combat plane, would tear its wings off if it tried to chase an F-111 supersonically for long at low levels, where the air is thick.

The Colonel mentions, but won't elaborate on, the craft's secret electurn them into balls of fire by igniting them with their afterburners and thus confuse heat-seeking enemy missiles.

Beyond that, technicians say, the exhaust of the F-111's engines is cooler than that of many other warplanes, making it harder for missiles to zero in.

Current planning estimates are for more than 1,200 F-111's, in various versions, to be built. More than 40 are in stages of completion along General Dynamics' nearly mile-long assembly line in Ft. Worth.

There engines move down one

The budget President Johnson sent Congress for the coming fiscal year asks \$1.1 billion for 163 F-111A and F-111D planes for the Air Force; the 111D will have an even more sophisticated and effective avionics package being developed by North American Rockwell Corp. It will enhance the plane's ability to do air-to-air battle.

President Johnson also wants \$550 million for 75 FB-111's which would be used by the Strategic Air Command as it phases out older versions of the workhorse B-52's. And he asked \$350 million for 30 F-111B's, the Navy version.

Other versions of the F-111 are the RF-111A, a reconnaissance craft that will stuff its weapons bay with photographic equipment and sensors, and the F-111C being built for the Royal Australian Air Force. The British, in an economy move, have canceled their order for 50 F-111's.

Navy critics

Elements in the Navy argue for a smaller, lighter craft than the F-111.

Most of the controversy over the F-111, which started years ago with the prime contract award, has centered around the Navy version, the 111B, that would carry the deadly Phoenix missile system built by Hughes Aircraft Co.

General Dynamics, after working quietly with its 19 major subcontractors and nearly 12,000 suppliers for five years, is now beginning to reply to some of the critics. Frank W. Davis, president of General Dynamics' Ft. Worth Division and a former test pilot, tells NATION'S BUSINESS:

"If we compare the F-111 with the best fighter-bomber in service today, we find it provides twice the range, with twice the payload, is 20 per cent faster, is 50 per cent shorter on takeoff and landings, and provides eight times better navigational accuracy with its inertial navigation system.

"As compared to the next best fleet air defense system, it provides twice the loiter (circle in place) with one and one half times the missiles. The missiles have three times the range. It provides six times as many kills per salvo. It will operate from 500 miles greater distance with the same bomb load, and its approach speed for carrier landings is 15 to 20 knots slower."

COMING NEXT MONTH



200 YEARS OF BUSINESS LEADERSHIP

An historic look back and a dramatic look ahead including the future of more than 30 industries by company presidents and chairmen

tronic countermeasures that can be used to confuse the enemy.

The configuration of the plane has, wherever possible, been shaped to deflect radar beams rather than bounce them back. Complementing this design is the use of a paint that absorbs rather than reflects radar, so that the enemy gets back a dimmer "blip" than normal.

As with other jet combat planes,

As with other jet combat planes, the F-111 has a valve in the tail section that's normally used to dump fuel to make a lighter landing. But F-111 pilots can dump small amounts of fuel at a time, line, fuselages down another, with tape-operated cutting machines forming whole sections. Sneakerclad workmen climb from craft to craft. Parts move above them on a monorail.

Aft fuselage sections and landing gear are supplied by the principal subcontractor, Grumman Aircraft Engineering Corp., of Bethpage, N.Y.

The 26,000 workers at the Ft. Worth plant turn out about 10 planes a month. The target for peak production of 28 planes a month is early 1970.

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Chevrolet gives you the efficient cab design, maneuverability and the gas or diesel power to save on any city delivery job.

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The more particular you are about equipment, the more you'll like the range of components in Series 40, 50 and 60 Chevrolets.

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You'll like the way Chevrolet's double-strong cabs keep working, earning and saving for you. They're built strong for one purpose: to help you earn money! Even hard-to-please drivers like the comfortable interiors, easy handling and commanding view of the street ahead.

Talk with your Chevrolet dealer about the truck you need. You'll think city-sized Chevrolets are made specifically for your job. They are! . . . Chevrolet Division of General Motors, Detroit, Mich.

See your Chevrolet dealer for City-Sized Savers.



LAWMAKER'S EYE VIEW

WE CERTAINLY SEE SOME SILLY SPENDING



The only problem was that the natives liked "I Love Lucy" and cowboy movies better than our propaganda.

Over at the Agency for International Development, which is skilled in getting rid of taxpayers' money on so-called foreign aid, somebody discovered that \$400,000 had been overlooked in the agency's customary spending sprees.

What to do?

Why, run out and buy 1,000 TV sets so that the natives in some jungle could be educated, a bureaucrat suggested. So AID bought 1,000 TV's.

When the House Government Operations Committee looked into it, foreign aid officials had to admit they hadn't even bothered to find out which natives were suffering from a lack of television, how they were going to get the sets to operate in the jungle (the ones they bought wouldn't work on batteries) or what they were going to show the natives if they managed to get the sets operating.

The author, Republican Congressman H. R. Gross of Iowa, is often called the "Watchdog of the Treasury." In his two decades in Congress he has become one of the fiercest advocates of economy in government. Prominently displayed in his Capitol Hill office is this slogan: "Nothing is easier than the expenditure of public money. It does not appear to belong to anybody. The temptation is overwhelming to bestow it on somebody." Mr. Gross has dedicated himself to thwarting that temptation which he does with a wry wit, frequent sarcasm and uncanny success.

More recently, these same AID dispensers rushed around in a crash program to set up a TV propaganda network for South Viet Nam. As a sop, they told American taxpayers that our GI's would also benefit because the network would have two channels-one for domestic propaganda, the other for "Gunsmoke" and "I Love Lucy."

You can imagine what happened. The Vietnamese took one look at the stuff on their channel and promptly switched over to "Gun-

Why not? Marshal Matt Dillon has been around a lot longer than Marshal Ky.

These are only two out of thousands of instances of silly spending that Uncle Sam lays out in our oversized federal budget.

I have not yet met any man in Washington who could compile a complete list. The spending projects come along so thick and fast nowadays that I doubt it could be compiled.

There's need for government spending in many areas, practically everyone admits. But the plain truth is that we've gotten so used to taking care of all sorts of needs that we sometimes go overboard and forget to apply a rule of common sense. After all, when you go to pay the monthly bills you certainly take a good hard look at what they're for.

Suppose one day your wife came up and announced she had hired a nice young man for only \$18,500 a year to teach your kids how to play soccer. I know what you'd do.

Well, this is what we've done in South Viet Nam-put up the money to hire someone, a German national, in fact, to "assist the government of Viet Nam in the organization and administration of a nation-wide soccer program."

Take the \$44,268 in tax money that went for a "survey to develop a hand pump suitable for manufacture and use in developing countries." If I remember correctly, the hand pump ranks just after the invention of the wheel in the chronology of man's accomplishments.

In still another part of this Washington never-never land, some of our handout artists have been smitten with the idea that it would be nice to give the Nationalist Chinese \$2.5 million to teach themselves and the Japanese how to grow vegetables.

These people can grow vegetables almost on solid rock. They are about the best vegetable farmers in the world and we want to spend \$2.5 million to teach them something they knew before Columbus walked up the gangplank.

To mix a metaphor, if teaching Orientals how to grow vegetables isn't carrying coals to Newcastle, those gentlemen over at the Office of Economic Opportunity know eminently well how to perform that

They gave the Zuni Indians a \$208,741 grant to improve their jewelry business-an art at which they have few peers.

Not only that but OEO wants the

Teaching them to grow vegetables? It's like taking coals to Newcastle.





Goodbye \$500,000! No one told them that the school didn't exist.

Mothers instinctively know-but Washington still wants to help.



DESCRIPCE BELFE BERESON

Zunis to start producing their famous handmade jewelry by machine and has urged them to establish a cooperative to market their "genuine" handicraft. Well, OEO didn't bother to acquaint themselves with the fact that stores are already buying all the Zuni jewelry they can get their hands on and these Indians are doing more than \$2 million worth of business a year.

Make a survey!

Every government agency loves to ladle out money for surveys. No-body makes a move without one. OEO is no exception. It wanted an "Analysis of Alternative Hypothetical Urban Community Action Projects." So you, the taxpayers, shelled out \$82,000 to learn that:

"The small area model's forecast of employment and the distribution of this employment projection among the occupational classes is certainly one area in which improvement is required. At present, basic employment is taken as exogenous input by the small area model. It then generates the nonbasic employment to provide goods and services to these households and the households to provide these additional employees."

It may take another grant to figure out what they're talking about.

I don't necessarily nominate AID as the worst offender in the area of silly spending, but these people are pretty hard to top. These foreign-aiders even outdid themselves the day a Lebanese promoter

walked in their front door-with his hand out, of course-and asked for help for a school back home in Beirut.

Now AID is firmly committed to the Biblical adage, "Ask and ye shall receive." And with the Lebanese promoter, no sooner said than done. He got a half million of your dollars and went thataway.

You might have thought somebody, somewhere in the AID morass, would at least have checked to see whether or not this school existed. It didn't,

Or hire a consultant

For good, clean fun it's hard to beat the thousands of \$75 to \$100 per day consultants that are so numerous around Washington these days that they're uncountable.

The Office of Economic Opportunity, although one of the youngest bureaucracies in Washington, has quickly caught the consultant syndrome. In a recent example of sheer waste the poverty corps warriors hired a consultant to check out a hotel in Charleston, W. Va., for possible use as a women's Job Corps center.

The consultant returned to Washington and filed the usual lengthy report. Subsequently, he was asked about the third floor of the building he had surveyed. He couldn't come up with an answer. He hadn't seen the third floor.

Milton Fogelman, a contracts officer with OEO, tells what happened next: "We asked him to go back and see if there was a third floor and, sure enough, there it was."

I don't know who has a corner on the boundoggle market. The Pentagon is certainly in there pitching.

Its "economy-minded" Defense Secretary, Robert Strange McNamara, has just been caught paying \$312.50 for some generator knobs worth \$1.62, and \$1.55 each for nuts and bolts that anybody else in this country can buy for six cents apiece in the hardware store down the street.

How's that for economy? At this rate we're going to save ourselves into bankruptcy.

The Federal Aviation Agency, far from operating a poverty program, is helping us spend our way to the poorhouse with a bewildering variety of gimmicks.

A few years ago FAA found itself with \$20,000 in unexpended money (yours and mine, of course) that it was in peril of having to turn back to the Treasury if it wasn't spent before the end of the fiscal year.

Some light reading for Hawaii

Well, that wouldn't do. So one of their chaps in the FAA Pacific Region came up with a solution—buy some books for the agency library in Hawaii. But, alas, he didn't have time to compile a list of suitable books. He simply borrowed the official list used by the Alaska Region, rushed out and managed to buy \$15,600 worth of books before the fiscal deadline.

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WE CERTAINLY SEE SOME SILLY SPENDING

continued



The aim: Simply to develop a diagnostic pictorial test of the intrapersonal relationship of husband and wife.

our FAA people in Hawaii can now relax on Waikiki Beach with such tomes as "The Story of Alaska," "History of Kamchatka and the Kurilski Islands" or "Road to Alaska."

These same Hawaiian employees are serenaded by soothing music piped in over a \$106,000 setup the FAA attempted to disguise as a fire alarm system. The General Accounting Office caught them flat-footed. GAO discovered the Honolulu Fire Department had already installed an alarm system.

FAA is constantly asking Congress for more and more millions for worthwhile air safety equipment, which is fine. But I strongly suggest they cut out some of the frills in other areas.

The agency, as far as I am concerned, threw away \$14,000 to pay for a lavish ceremony dedicating a leased building in Honolulu, spent another \$8,400 for pomp and ceremonies at an installation on Guam and \$10,400 for a similar function on American Samoa.

Scientific research is wonderful—and useful—but I'll be hanged how you can justify some of the projects we taxpayers are having to finance.

How, for example, are you going to vindicate such programs as the federal grant to teach mothers how to play with their children, or the expenditure to find out how certain boy lizards in Arizona get along without girl lizards?

Or consider a \$33,101 grant to the Israel Institute of Applied Social Research, in Israel, to study, and we quote:

"A test of the husband-wife relationship. The aim is to develop a diagnostic pictorial test of the intrapersonal and interpersonal aspects of the role of relationship of husband and wife. The test should be sensitive to the perceptions of the actual behavior and norms and to the consonance perceived between these."

We will shortly be equipped with everything from a "Microfilm Copy of the Philosophical Writings of Ludwig Wittgenstein" to a study of the "Personality, Attitudes and Political Involvement of Early Members of the Nazi Party," thanks to the generosity of the bureaucrats who give away somebody else's money—yours!

That any government with \$340 billion of debt could fritter away its substance on so many nonessentials is beyond belief.

One of these days the American people are going to wake up to their giveaway governments. They may find their wealth and their freedom have gone where the woodbine twineth and the whangdoodle whangeth.

My friend and colleague, Rep. Otto E. Passman of Louisiana, has been conducting hearings on our giveaway programs for more years than he cares to remember, and he put this whole business in a nutshell recently when he said:

"We are spending money that we do not have for things we do not need, trying to be everything to everybody, everywhere, regardless of cost. I was home the other day and saw the federal highway beautifiers running up and down the highway planting petunias, periwinkles and pussy willows on borrowed money."

That statement ought to be nailed on the top of the deak of every bureaucrat in Washington. END

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We broke open our Handi-Van

- 1 We're the truck people from General Motors. We just sliced apart our new Handi-Van to show you how it's built. We could have given you a pretty picture and let it go at that. But the real value of a GMC is under the skin. We think showing you these hidden features will make you a believer.
- 2 This is our giant van. The distance from the front wheels to the ones in the rear is 108 inches. Our smaller van has a 90-inch wheelbase. Both are finely balanced to handle your load.
- We didn't make a bigger van by simply tacking on more sheet metal around the frame. We weren't about to take a short cut like that. Instead, we started at the bottom and built a brand new foundation for our big van. This is why our load space is balanced. And why you're better off with a GMC.
- 4 You don't see a lot of seams and welds and joints in this van. The reason is we eliminated them every place we could. No wonder our bodies are stronger. And much longer lasting. There just aren't as many places for stress, rust and corrosion to get at.
- 5 Seat belts, four-way warning flasher, dual-speed wipers, plenty of safety items.
- You can carry a 256 cubic-foot load here. And since our 108-inch van has a special wheelbase for its bigger body, there's a lot less jiggling and bouncing around. You're probably thinking that we told you this before. But a point this important is worth repeating.
- 7 The I-beam front axle of our 90-inch model will support 2200 pounds and our 108-incher will handle as much as 3000.



just to make you a believer.

- We put the engine right up here, by the driver. Because it's easier to get at for servicing. By the way, the molded engine cover also serves as a package tray. When it's not sealing out engine noises, that is.
- We have three great engines for you to choose from. A 140-hp or 155-hp inline-six is standard. Or you can specify our new V8 with 200 horses.
- These steel strips run the full length of the load floor.
 They're good for sliding heavy items on and off the van.
 And you don't have to stretch or bend much to do it.
 Because the load floor is a scant 22 inches from the ground.
- The amazing thing about a GMC is how much more truck we give you. And how little more we charge you for it. Talk to your GMC Truck dealer about price. He's eager to make you a believer, too.



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GMC

What a difference a name makes

If riots ravage U.S. cities again, businessmen can take some steps to minimize damage-if they heed hard-taught lessons of the past.



DRAWINGS, PAGE SUFFMANTER

RIOTS ERUPT AGAIN.

Businessmen who suffered in last summer's outbreaks offer some advice on prevention

Will this summer be like past summers when riots erupted across the land?

What should you do if a rioter throws a fire bomb through the window of your office or plant? Or if a civil rights militant marches on your property and exhorts his followers to destruction?

NATION'S BUSINESS editors talked with businessmen at riot-stricken cities to see what precautions they now would take.

"Rioting in Detroit-all around our plant, in fact-last July crystalized our thinking on what we could and could not do during such an emergency," says Raymond N. Okonski, president of Michigan-Dynamics, Inc.

Employers with plants or offices near riot sensitive areas in Detroit and Newark recommend laying in food and water, having extra fire extinguishers and sand buckets and periodically checking the extinguishers. Sprinkler systems should be in perfect order. Auxiliary generators, too, could be life savers. businessmen say.

What the businessman can do

Mr. Okonski believes every business should have an emergency communications warning system working something like a bucket brigade. At the first definite sign of trouble, each employee would be obligated to call other employees. In turn each of them would have his list of co-workers to inform of plant closings, transportation routes, danger areas.

Parking lots should be lighted

and enclosed with wire fences. Gates should lock. Cars should be locked, too.

Articles of value should not be left in automobiles. Hospital and police phone numbers should be posted in shops, offices, plants and in homes.

If your city has hospitals which specialize in burns, that information should be posted also.

If your plant or office has wide expanses of glass and windows, barriers should be available-either wooden shutters or steel screenswhich could stop Molotov cocktails, stones, iron pipes.

So warn the business operators who have watched destruction at first hand.

Mr. Okonski notes that shutters blot out the view inside buildings and thereby remove temptation from looters.

Anglo-Saxon law is more specific on what a man can do in defense of his home than on what can be done to defend his business.

Police, National Guard or Army troops may be too busy at other riot sites to aid beleaguered plants. Suddenly a business executive may find himself turned into a defender.

In preparation for such a possibility, however remote, consult legal counsel now to determine what are your rights, what to do and what not to do, lawyers advise. Laws vary by states.

"I was armed during the Detroit rioting," Mr. Okonski said, "but I'm not sure that I could have used the gun, even if rioters broke into

one of our plants."

One proprietor of a Detroit technical school saw a young Negro throw a rock through a window. He dashed out on the street, caught the boy and gave him a sound spanking. Rioting swirled around that technical school for three days, but not once did rioters touch the building again.

Whatever effect the spanking may have had, there is general agreement among people who have suffered in rioting: Do not expect employees to

try to stop a riot.

Another point businessmen often agree on is that white employees, in plants or shops during rioting, should stay out of sight as much as possible.

Edward Davis, owner of a Plymouth-Chrysler agency on Dexter Street in the heart of the Detroit riot area, believes in using more Negro workers in sensitive sections of town.

Mr. Davis, a Negro himself, did not have his show rooms and repair shops damaged last July. He maintains it was because his employees this is an integrated staff—have a reputation for honesty and fairness. Only one car of his was stolen, he reports.

Fear fresh outbreaks

The feeling that further rampages could happen this summer is widespread. Businessmen in town after town simply don't want to talk about what happened during last summer's riots or what might happen this year. Many hope that programs will succeed to combat causes held partially responsible for riots, such as lack of jobs.

"You just give some people ideas

when you go around talking about what might happen," says one small shopkeeper in Plainfield, N.J.

Riots have put some merchants out of business and many others are plagued with the problem of

getting insurance.

In Pontiac, Mich., where police and fire departments responded to 58 calls involving rioting, some stores and plants burned and never reopened.

One of the biggest problems for businessmen during an outburst is accurate information. How wide-

spread is the rampage? Where are the outbreaks?

During the 1967 rioting Chambers of Commerce in Detroit, Newark, Milwaukee and Hartford estab-



Some Negro guards were of great help during savage riots last year.

lished close liaison with the officials, with staff members stationed at headquarters to answer businessmen's questions and give advice.

The Chambers manned switchboards into the night, relaying to anxious businessmen the latest details about the areas involved.

Bursey-Chappell Inc., a tire dealer in Hartford, had plate glass windows broken 28 times in a period of sporadic neighborhood violence.

"Those windows cost \$300 each," says R. H. Chappell. "I guess the only thing I could say to anyone planning to put up a building in a problem area is to build it like a fort."

What can a businessman do?

"I think it's just going to have to be plain old-fashioned law enforcement," believes Mr. Chappell. "And some stiff prosecution in the courts. "During the riot last summer, I came down to the store. You could see bands of 15 to 20 roving around, doing any damage they could."

The company lost a number of

TV sets to looters.

"Doing business in problem areas is a real problem," he says. "You keep the building lighted at night, but if violence breaks out, that doesn't help much."

Riots cause a lingering effect. He estimates during the period of violence last summer, his business dropped 40 per cent and that even today many people simply won't come into the neighborhood to shop. They have a deeply uneasy feeling that outbursts could occur again.

Praise Negro employees

Several companies credit Negro employees with fine work during troubles. Negro armed guards pa-

trolled inside some plants.

However, Royal House Furniture and Appliance store in Newark—managed by a Negro, Norman W. Vensen—was looted. Rocks were thrown through windows and snipers turned it into a fortress. The building was not set afire, but considerable damage was done when a bullet struck the sprinkler system and dumped tons of water onto merchandise. It cost \$250,000 to set the store right again, owner Ira Futeran figures.

"We never really thought a riot would take place in Newark," Mr. Vensen said, "and we never thought our store would be involved. We've been in business here for 40 years. Most of our customers are Negro and the area is about 60 per cent Negro." Mr. Futeran and Mr. Vensen are turning their store into what they call "a better neighbor."

Already 80 per cent of the employees are Negro. Donations are made to Negro charities in the

neighborhood.

Since the riots a "Community Room" has been set up in the store. It is used by neighborhood organizations for meetings. The room will seat about 200 and any group may use it free of charge so long as order is maintained.

"Riots should be prevented before they start," Mr. Futeran says. "You should work with the people in the neighborhood, make them like you and, at the same time, you get a better opinion of yourself."

Thousands of businesses in hundreds of cities have set up new

(continued on page 65)

INDUSTRIAL SECURITY EXPERT TELLS HOW TO GUARD YOUR

BUSINESS



W. Sherman Burns is often called the "Father of Industrial Security" because nearly 50 years ago he began shifting emphasis of the famed William J. Burns International Detective Agency, Inc., from crime detection to crime prevention.

More than 6,000 business firms have engaged Mr. Burns's company as guardian of their properties. His force of 18,000 uniformed guards and agents is second in size only to the New York City police force.

Here's his advice on what businessmen can do to protect their property during civil strife or rioting.

Mr. Burns, what should a businessman do before civil strife has broken out in his city?

He should try to find out what the law enforcement people are going to do and coordinate with them if possible. If he cannot find out, he has to set up certain safeguards of his own.

What can management do now to help safeguard lives and property?

The businessman should have a "disaster program." Employees should know what their functions are. They should be prepared if utilities are cut off. Fire drills should be rehearsed. Local police officers should tell private security organizations, "This is what we want you to do."

Any business that might be confronted with civil strife should set up a Management Emergency Committee that will make important policy decisions and perfect the mechanics of what should be done when civil disorder erupts in its area. Among the decisions:

How far to go in a civil disturbance that is not violent, such as a "lay-down" or a "sit-in"?

Should the demonstrators be permitted to stay or should police be called and complaints signed?

Who will be responsible for deciding whether or not to close down the plant during a riot?

Authorize a professional plant survey to make certain that there is proper fencing, doors and gates that can be locked, employee parking lots, guardhouses located inside the fencing and other precautions, including screened windows that could resist rocks and fire bombs tossed from speeding cars and good exterior lighting.

If your plant is protected by a private security agency, discuss with it the number of additional guards that might be furnished in an emergency.

Make certain that management and supervisory people know whom to get in touch with in an emergency and have the names and phone numbers of security people and police.

What should be done with cash, negotiable securities, valuable business papers and instruments under threatening riot conditions?

Whenever there is advance warning, removable valuables should be put in company vaults or taken to the bank for safekeeping.

What part can electronics play?

Electronic equipment makes it possible to cut down on fixed guard

posts, and gives added mobility to the guard force.

Closed-circuit television, automated gates and doors operated from a central control, warning system that alert against intrusion and fire are valuable aids.

And each year, remarkable new devices are being introduced.

Should there be a special supply of fuel and food, fire buckets, fire extinguishers in plants or offices?

Yes, and employees should know where the supplies are.

Management must assume that the plant or office is going to be under attack and plan ahead of time how to meet the situation. This involves how employees are going to get to and from work.

If employees are to stay at home, communications must be set up with them.

You've got to take all the preventive measures you can.

You've got to be sure your sprinkling system is working, so if somebody throws a fire bomb, the sprinklers will activate.

You may well need standby electric power.

If you are a businessman and a rioter throws a rock through your window, what can you do about it?

If there is a riot going on in the street, you better stay in your building.

What if it is the start of a riot?

Communicate with the police right away,

If, however, you have time and the riot is certain to engulf the plant, evacuate all personnel except security.

Civil disobedience and strife are crimes. What can business do about them?

I think business has got to concentrate on the ghetto areas and see whether or not it can contribute to improving the education and the living standards there and create jobs.

Leadership from the President of the United States, the Attorney General, the governors of the states and the mayors of the cities is essential

It's pretty tough for law enforcement people to enforce the law, because they don't get the support of the citizenry.

If civil rights militants keep saying: "You can obey the laws you want to obey, and you can disobey the laws you don't want to obey"—well, that sounds like anarchy to me.

END

IF RIOTS ERUPT



Make sure that you have extra food, water, other emergency equipment.

training programs for underskilled workers.

Mr. Davis, for one, has done this with his own money. He considers his plan a success and a deterrent of future trouble.

Preventive measures

He advocates businessmen organizing neighborhood shopping committees to try to stop unfair retailing. He estimates that in Detroit's predominantly Negro sections prices averaged 15 per cent higher than in predominantly white areas before the riot. Of course, operating costs in slum areas often are higher. Many business people believe that mismarking of merchandise added to the tensions which preceded rioting.

Mr. Davis advocates finding more Negroes who can communicate with other Negroes and to get and keep them on the side of business, and of law and order.

Several of Detroit's largest companies are taking part in a hiring

practices commission.

Actually the commission was in operation before the 1967 riots. But its scope has been increased in the recent months.

The Manpower Development Committee of the Greater Detroit Board of Commerce urges employers to coordinate information on available jobs, to develop liberal hiring procedures for inner cities, to modernize application, testing and interviewing procedures, to determine why so many newly hired people drop out of their jobs and



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It can give you advance notice of new government programs and what effect they may have on your business, your products, or your employees.

Why not add this trouble shooter to your business? Your association is ready to go to work.

POINTERS
FOR PROGRESS
Intrough trade and professional associations

IF RIOTS ERUPT AGAIN . . . continued

to coordinate training programs. There is also growing sentiment for keeping job qualification requirements to a minimum. If a man doesn't actually need a high school education to do a job, then remove the requirement for a high school diploma, business leaders in hard-hit areas recommend.

Depth studies aimed at finding root causes of rioting have been made. The information turned up may help avoid rioting over the long pull.

One Detroit research study under a U. S. Labor Department grant found that some Negroes have a pathological hatred of whites that they don't even know exists.

Other studies show that many Negroes run away from problems rather than face them. They fear rejection, have a lack of identity and know little of their Negro heritage.

Because so many homes are broken and fatherless, there is only a shadowy concept of masculinity.

In a great effort to help employees, and to help themselves, some companies are increasing the ratio of supervisors to workers. In some cases there is now one supervisor to every four or six skilled and semiskilled workers where a year or two ago the ratio was one to 12 or 14.

The objective is to keep Negroes in jobs, teach them to perform better and have more pride, business leaders say.

They feel this may be the answer to averting rioting in the summer which is soon to come. END



If he doesn't need a diploma to do a good job, then don't require it.

"Riots should be prevented before they start," one businessman advises, by being a better neighbor and working with the people in the community.



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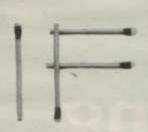
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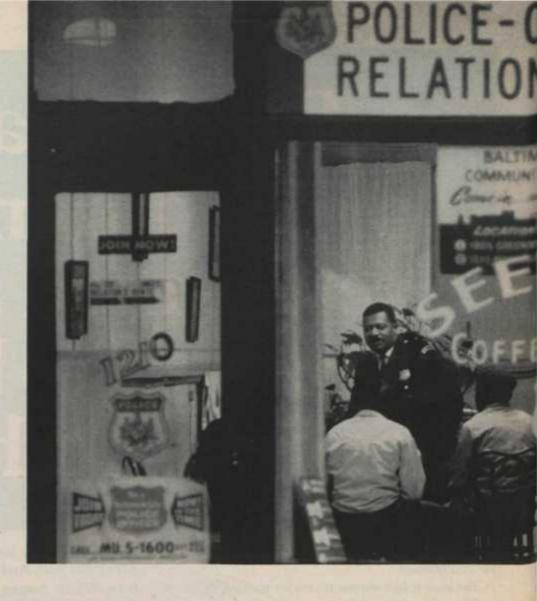
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POLICE PREPARE FOR THE WORST



Overworked, underpaid, and still poorly equipped, the cop on the beat is in the middle of the explosion of social unrest

It will largely be up to the policeman to thwart or stop riots if the torch of racial hatred is hurled in America's communities this summer.

Business has much at stake on how successful the policeman is.

So far he has not been well equipped for such work. Until recently he has not been properly trained for it.

The awesome magnitude of a race riot bears little resemblance to the day-to-day problems of a police officer.

A series of meetings have been under way throughout the country to determine, first, how police can head off a racial outbreak; and, that failing, how they can quickly quell a riot once started.

Police chiefs and mayors or city

managers of 130 cities are attending these conferences conducted by the International Association of Chiefs of Police (IACP) for the Department of Justice.

Among the optimists is Attorney General Ramsey Clark who does not feel racial disorders in 1968 will be any worse than last summer. He told one of the sessions:

"Our ability to control riots is increasing faster than the frustration that causes them."

In Mr. Clark's opinion, the nation's police now recognize the need for balance, coolness and firmness and a "careful show of force." Further, he says, policemen are learning how to prevent and control urban riots.

Despite this optimism, police around the country are arming themselves with anti-riot weapons against the time they may have to take on a wild mob.

More and more police departments are buying armored cars, tear-gas grenades and shotguns to protect their officers.

Virginia State Police, for example, recently laid out \$30,000 for six armored cars which can also serve as mobile "pillboxes" and communications centers.

The Los Angeles County Sheriff's office has just built its own armored car. Sheriff Peter J. Pitchess says he refuses to turn his men out against snipers without the protection of armor plate.

Manufacturers of guns, handcuffs, tear gas and riot helmets report their sales to law enforcement agencies are at record highs.



PHOTO: DERAYS BRACK-SLUCK STA

Chicago is preparing to buy three helicopters to spot criminal activity on its streets, and use as aerial command posts in the event of racial disorder. Los Angeles, and other communities, are already using helicopters for police work.

In Cook County, Ill., which embraces Chicago, Sheriff Joseph I. Woods put out a call for 1,000 volunteers to form a riot-control unit. His office not only was swamped with calls from volunteers but he received offers of financial assistance to arm the special civilian force.

Some police departments are eyeing the development of new weapons to help put down riots. One such is a chemical called "banana peel" which, when sprayed on streets and sidewalks, causes a person to slip and slide and makes it "Store-front police centers" are being used in many cities, enabling police to assist people with such day-to-day problems as poor garbage pickups and delayed welfare checks.

almost impossible for him to walk or run. Another is a spray gun which can temporarily disable a person but not injure him.

Atlanta Chief of Police Herbert T. Jenkins, a member of President Johnson's Advisory Commission on Civil Disorders, reports some companies have even tried to sell him tanks for riot prevention.

Nation's Business talked with Quinn Tamm, executive director of IACP, about unpredictable 1968, whether a new wave of riots will sweep the country this year.

Prepared for trouble

The work of his organization, and the Justice Department conferences, leave little doubt that there is great emphasis on preparations if trouble erupts.

In Washington, officials are bracing for a massive onslaught of "civil disobedience" as early as next month led by "nonviolent" civil rights leader Dr. Martin Luther King. The King plan: Disrupt government and the city's operations.

Civil authorities in Los Angeles, Chicago, Rochester, Cleveland, Baltimore—you name the city—are waiting and watching and hoping. There is some optimism. But there is much pessimism.

The seeds of racial incendiarism are ready to be sowed. The record of the past three years is sordid and tragic:

One hundred and thirty persons killed in race riots and 3,623 injured.

Damage to property over \$210 million.

Over-all economic losses a staggering \$1.5 billion.

In the middle of this explosive social unrest is the policeman.

In the wake of riots the policeman has become a symbol of repression and, in the opinion of Mr. Tamm, a scapegoat. Mr. Tamm points out: "The meager resources of the police, already inadequate to cope with the traditional crimes, are taxed even more in attempts to prevent civil disobedience and civil demonstrations from spiraling into civil riots and civil war."

Law enforcement, in other words, is at a point of crisis.

Police departments across America are finding it harder and harder to recruit rookie policemen, not alone because of low pay but because of the demands of the job.

For a median salary of \$6,500, today's young police officer has to offer the skills and talents of a lawyer, doctor, sociologist, educator and administrator.

"The reluctance of young men and women of promise to enter the police service is understandable from the sociological standpoint," Mr. Tamm explains.

"They read of the police being maligned and assaulted by militant dissidents and forced to remain passive

"They see the police being spat upon and reviled by unwashed 'hippies' and 'acid heads' and required to endure this without recourse because we apparently live in a social climate of permissiveness as far as disrespect for the law is concerned.

"The ancient rights of freedom of speech and peaceful assembly become travesties when they are not accompanied by adherence to the equally ancient responsibilities of respect for law and support of law enforcement. It is no wonder potential recruits turn to other fields of endeavor."

In their war against crime and violence the police have not enjoyed the generous resources available to conquer space, eliminate disease and advance social equality.

"The police of our nation are for

POLICE PREPARE FOR THE WORST continued

the most part required to operate with equipment that, relatively speaking, dates back to the frontier days," Mr. Tamm points out.

"Modern electronic equipment, for instance, is commonplace in industry and government, but extremely rare in police departments. Research and development capabilities in both the physical and social sciences are grossly inadequate."

Impact on business

The American businessman has much at stake in what the police are doing to curb crime and combat racial disorders. Both hurt business.

President Johnson's Crime Commission found, for example, that 43 per cent of the people in some areas stay off the streets after dark because they are afraid. Obviously, retail establishments lost their patronage.

Business expansion is discouraged. Eastern Air Lines, Inc., built a new facility in New Jersey, instead of expanding its operations in New York where women employees were afraid to use the streets at night.

Business and industry have been prime targets when civil disturbances exploded into full-fledged guerilla warfare. In the Watts holocaust, which left in its wake 34 dead and more than 1,000 injured, property damage was estimated at \$40 million. The Newark riot chalked up 26 deaths and millions of dollars worth of property destroyed and looted.

"Traditionally, the police have prided themselves on their ability to cope with civil disorders," Mr. Tamm says. "But these riots and insurrections have far transcended what we have known as civil disorders.

"The police are a civil force, not an army of occupation but such has increasingly become their role, a role that is beyond their responsibilities and their capabilities."

Police are not merely waiting for riots to happen. They are trying to create an understanding between the ghetto dweller and the police department. This may have no effect on the militant who thrives on turmoil and violence, but it keeps the lines of communication open with law-abiding citizens.

As Chief Jenkins of Atlanta explains it, "We recognized that there was a need for social service, because when a social worker was confronted with hostility and violence, he simply backed off and called the police for assistance.

"We were ready to provide this service. The police must be specially selected and trained to wear two hats-first to act and serve as a social worker and, second, when conditions require it, to arrest and prosecute law violators."

The concern, frustration and determination of police came through clearly in testimony before the President's Special Advisory Commission on Civil Disorders, which has probed the problems of scores of cities and will report its findings this month.

Bibles and powder puffs

Hear what some public officials told the Commission:

"I think," said E. Wilson Purdy, director of public safety of Dade County, Fla., "we recognize fully that the riotous conditions that developed over a period of years did not develop because of police brutality, although we went through an era or a phase where no matter what action you took—you could send men in armed with powder

OUTS: SING BANKER-BLACK STAR

puffs and Bibles—there still would have been accusations of police brutality...

"The time for the calling of the National Guard should be much earlier than we thought initially in the first disturbances we had. They have the adequate force...

"The recent racial conflict situations have really very little to do with civil rights movement, as we thought of the civil rights movement in the early years. We must recognize, I think, that we have actually encouraged and approved and actually trained almost an entire generation of young people to disobey any law with which they do not agree.

"Sometime, at some place in our society, we must bring things into screeching focus and terminate this attitude that if there is anything you do not like about our government, or the way our communities are run, just go out and violate the law and it is perfectly all right..."

William M. Lombard, chief of police at Rochester, N.Y., told the Commission his was a city "where it couldn't happen." But it did, in

A STREET SAPE

Helicopters used by Los Angeles police for traffic control can quickly be pressed in service in event of riots. Some cities plan to use them as aerial command posts.

July, 1964. And briefly again last year. He outlined what a police force should do—and have—to quell disturbances. One point is "industrial notification."

"Conferences have been held between police and the business community," he testified. "Liason has been established with...key persons to be promptly informed of developments at any time of the day or night who are then responsible for notifying the membership. Concern primarily involves those industries and businesses open or operating during unusual hours."

How riots start

"Almost anything can spark a flame in a 'dry grass section'—an area of potential explosion," said Howard R. Leary, New York City police commissioner. "Once this spark is struck, and it usually is an incident involving the police, the next step follows inevitably, and we call it the rumor."

Mr. Leary said the next step after rumor is the appearance of the "agitator," who, he claimed, stirs up youngsters 12 to 16 in the hopes

PROTO: HIEL ALTREA

Virginia has six new armored cars to protect policemen who might be called on to quell civil disorders.

of promoting looting on such a huge scale that either the police can't cope with it or are provoked into drastic repressive measures.

In his mind, if police can prevent the beginning of large-scale looting, the "agitator's aims at fanning the disturbance into a full-scale riot can be frustrated.

"It may take days; it usually takes the better part of a week," and by this time, he said, the "decent, orderly and reasonable forces within the community have had time to work."

Riots have triggered widespread exploration of the role of policecommunity relations. Most police departments now have special departments or specially trained personnel to work in this field.

To Roger W. Wilkins, director of the Community Relations Service of the U. S. Department of Justice, the riots reflect a social system that has failed "to serve the needs of poor black people."

Before the Commission, he scored schools that don't educate and a trade-union system that, "in some places, acts to exclude black Americans from certain kinds of employment."

He claimed the average white American just doesn't "understand what is going on in those ghettos. They don't talk to the people, They don't know anybody who lives in those ghettos. White Americans think if those people would just pull up their socks, things would be okay. Well, they won't be okay."

"Participation by police in community problems is something necesssary," testified William H. T. Smith, former police chief at Syracuse, N.Y. There must be effective communication, he said, and "in order to communicate, you have to listen. You can't just talk. Go out and listen to what the people have to say is the big item in communication."

The police don't have the responsibility for relationships with the community in any broad sense, said Prof. Albert Reiss of the University of Michigan.

They do have a defined legal role. He said studies he had made in Boston, Chicago and Washington showed that, on the whole, Negroes are very upset by high crime rates.

Part of the problem of poor police-community relations, he believed, is created by the way the citizen behaves toward the officer and the way the officer behaves in return.

Professor Reiss argued for more professionalization of police forces and urged "status honor" for the officer. He said "white as well as Negro citizens are shortchanged by many current police practices."

Quinn Tamm told the Commission: "I must admit to you that the police have been in a quandary as to just what our nation, our political leaders and law-abiding citizens expect of us."

He said officers feel sometimes they have to assume a "kid-gloves attitude" in dealing with lawbreakers of a minority race. And that there is dissatisfaction over the "leniency of the courts and their hesitancy to convict when the race issue is raised as a defense."

He criticized the news media, too, for painting the police in a distorted role and called for better training and better pay for the men with a badge.

The Army and National Guard

Since World War II, the National Guard has been called on to calm disorder in the streets at least 72 times in 28 states.

"We believe the National Guard should be the first-line military force employed to restore law and order when military power is needed, insofar as possible in a nonfederal role," Guard Brig. Gen. Harris W. Hollis, told the commission.

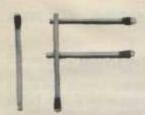
But the director of operations in the office of the Army deputy chief of staff for military operations says the active forces are ready if they have to be called.

There are seven task forces available, each of brigade size, with about 2,400 soldiers in each. Divisional forces from the Strategic Army Force can also be tapped, as was done in Detroit when elements of the 82nd and 101st Airborne Divisions were used.

Just in case, the Army is scouting out possible assembly areas and approach routes in a number of metropolitan areas.

In Mr. Tamm's view, the business community can help the police by making available its vast knowhow in scientific, technological and administrative techniques. And, he adds:

"More importantly, the business community can bring to bear its resources in stimulating widespread public respect for the law and support of law enforcement." END



"THERE'S BLOODSHED COMING"

So say the militants. However, millions of Negroes want neither violence nor doles In the heart of East Baltimore's teeming black ghetto, Danny Gant is a symbol of unrest in today's America.

There are Danny Gants in every big city in this country. They speak the voice of Black Power, a revolutionary force fighting to unite Negro Americans to accelerate their demands for better jobs, housing and schools.

They may hold the key to whether the United States can get through the summer without being rent by bloody race rioting. To some of the Black Power militants, the ends justify any means, including violent, unlawful means.

Militants in Baltimore, as in many other cities, ignore the fact, of course, that much progress is being made to improve the lot of the ghetto Negro. Baltimore business and industrial leaders, for example, have been quietly but effectively opening doors of opportunity to help these



people. There are millions of Negroes in cities all over the country, of course, who don't want violence, who have the dignity and ambition to earn their way and the respect of all citizens.

But the militants are the ones now getting the attention, and Baltimore's Danny Gant is a Black Power militant. He wants action now, not promises of better things tomorrow. He does not openly preach violence nor does he hesitate to disguise his impatience. He is convinced this is a white man's America and he doesn't like it.

Mr. Gant is field director in Baltimore for the Congress of Racial Equality, a militant national organization helping direct the black revolution in America.

A NATION'S BUSINESS editor visited Mr. Gant at CORE headquarters in a ramshackle, old barbershop in the center of an Eastside slum. It is located on North Gay Street, not many blocks from downtown Baltimore where dozens of gleaming new buildings are changing the face of the old seaport city.

A thin, gaunt man, he ushers you into his office, a dingy, unlighted back room. He is not friendly, nor is he unfriendly. Leaning back in a rickety chair he says simply, "Shoot."

Mr. Gant dropped out of school in the seventh grade in his native Buffalo, N. Y. But he is articulate, extremely sure of himself. He speaks fast, dodges no questions:

"There's going to be bloodshed in America," he says. "As far as Baltimore is concerned, I don't know."

Riots, he tells you, are "deadly." But, then, they help accomplish things, he adds.

"Sometimes you have to have a riot to get through to people," Mr. Gant goes on. "I've been in riot areas, and I tell you I'm petrified. They are not pleasant. But then again, you can't get by with an airconditioned riot."

Mr. Gant believes riots have an advantage despite their ugliness. As he put it:

"They do create an awareness that the little cat on the street ain't going to get hurt no quicker than that big cat who lives in Cleveland Heights. Even the Tom (Uncle Toms) realizes he's outlived his usefulness."

How much restraint Mr. Gant wants to impose on the Baltimore ghetto dweller is questionable in the light of inflammatory literature flowing from his CORE headquarters. A recent four-page flier titled "The Black Dispatch; Voice of the Black Ghetto" spoke, for example, of police brutality, self-defense for black people, black unity and the like. Consider two paragraphs:

"Brothers and Sisters it is time to stop singing and start swinging. A black Uncle Tom asked me what are black people going to use to fight the white devils. I said, 'The same thing we use to kill each other with.' If a black man can use a knife, gas, guns and tire irons to kill his black brother, who is catching hell from the devils, too, then he can use the same weapons to kill the white beasts who are robbing, abusing and killing black people.

"We must come to the defense of our black brothers and sisters when we see that the white man is mistreating one of them. When the white racist knows that you will defend yourself, and sees that black people are ready to stand together, and that white people are laying dead in the streets, he will not love you, but he will begin to respect; and respect black people must have."

Says the CORE leader himself:

"Look, man, we've been articulating and philosophizing for years and nothing happens. We've been living in 400 years of bias and degradation. The progress is minimal, so menial.

"Here we are 22 million people with \$25 billion buying power and we don't own a damn thing."

Mr. Gant hasn't isolated himself



"Sometimes you have to have a riot to get through to people," says Danny Gant, who directs CORE activity in Baltimore ghetto.

Miss Clara Hill, retired dressmaker, is worried that government is trying to do too much for people on welfare.

"THERE'S BLOODSHED COMING" continued

from the white community. On the contrary, He explains:

"There's communication, plenty of it, between the black and the white community. But nothing's happening."

Mr. Gant likes to talk about the "political aspect" of Black Power.

"We have to become politically astute. We want to create our own destiny. Listen, I could go into Little Italy (Baltimore's Italian section) tomorrow and be loved. But they'd never elect me to the city council."

Business, he insists, has got to accept some of the blame for keeping the doors of opportunity closed to Negroes.

"They are going to have to realize they have to put some of the money back into the community. As far as these big companies are concerned, they'll have to educate that black cat that's been there all these years so he can improve himself."

What Baltimore has done

His criticism of Baltimore does not square with the facts.

About five years ago in Baltimore a small group of industrial and business leaders formed the Voluntary Council on Equal Opportunity to place unemployed Negroes in useful jobs. They have been meeting weekly since then and their number has steadily grown. Today, the membership includes several prominent Negro leaders who know the problems.

Simultaneously, the Baltimore Chamber of Commerce became active in finding jobs for Negroes and last summer alone was able to place 1,100 in useful employment, reports Executive Vice President Herb Bailey.

"Many had not worked for long periods of time and some had criminal records, but we found them jobs," says Mr. Bailey.

Alfred P. Ramsey, who retired two years ago as president of the Baltimore Gas and Electric Co., helped spearhead formation of the Voluntary Council on Equal Opportunity. Today, he serves as its unpaid, full-time chairman.

"Without fanfare we are opening doors in Baltimore and the number of people placed is mounting," Mr. Ramsey explains. "At first it was not easy. We found the openings, but discovered very quickly many of these people were not trained to fill them. So we began an intensive training program and that's paying off." At the big Chevrolet plant in Baltimore, for example, Negro jobs increased from 17 per cent to more than 23 per cent since 1964.

Recently Bethlehem Steel took on some 300 Negroes in a single week

"In the beginning it was difficult to get the story out into the Negro ghettos but now that is changing," Mr. Bailey reports. "The lines of communications between the white business community and the Negro neighborhoods is improving."

Last summer, according to Mr. Ramsey, Baltimore Gas and Electric decided to try a crash program. It virtually pulled some 140 unemployed Negroes off the street and offered them jobs. Some had police records. A few didn't work out, some worked for a while and failed for one reason or another, but most are still on the payroll.

The businessmen's council has had notable success encouraging Negro youngsters to remain in school to prepare themselves for future jobs. The utility company helped lead this drive.

However, the pattern of Danny Gant's impatience, his criticism of white society, his reluctance to sit back and wait, his determination to act—all reflect the restlessness of a broad segment of the Negro population. Comments such as those made by the Baltimore CORE leader were echoed repeatedly by hundreds of witnesses before the President's Advisory Commission on Civil Disorders.

Unrest and bitterness permeating the urban centers of America was the focus of attention recently by the Advisory Commission on Intergovernmental Relations which found numerous cities "seething" with racial and class revolt.

The government study commission warned in strong language that the failure of government to halt rioting, despair and threatened anarchy in the nation's large cities has brought the federal system to the brink of its greatest crisis since the Civil War.

Not all preach violence

Baltimore's ghettos have many faces. All the voices do not demand violent action. Some, in fact, plead for moderation, for sanity.

A few blocks from Danny Gant's old barbershop headquarters lives Miss Clara Hill, a 60-year-old retired dressmaker. She gets by on a small pension, owns her home. In her neighborhood are a number of widows who also enjoy home ownership.

"I'm worried about Baltimore and what's happening here," she told NATION'S BUSINESS. "It's hard to pin down, like a wiggling vein. It's the younger Negro I'm worried about. The older people are more understanding.

"We don't like the attitude and the things some people are preaching. I'm afraid a lot of history is being kept from the youngsters, and they're learning hate. And hate is not a nice thing."

Miss Hill is worried that the government is trying to do too much for people, especially in the welfare field. She says welfare can be beneficial and it can be evil. She is particularly disturbed over the way government supports unwed mothers and their illegitimate children.

"When I was a young girl it was a disgrace to have a baby without a husband," she explains. "Once, I got the worst spanking from my mother for talking to a girl with VD.

"Today, the government encourages these young women to have illegitimate babies. Instead of paying them and let it go at that, the government should force these women to go to school and work. If the government insists on spending money on them, it should be on education, not to take care of their children."

On the west side of Baltimore is another vast Negro area. Here a different picture emerges. The streets are clean, homes are attractive, parks dot the scenery. A sense of pride seems to radiate from the neighborhood.

At the H.M. Rowe Co., publishers of educational books, Clarence Ringgold, the traffic manager, interrupted his work to discuss the Negro situation.

"I think the people are rebelling because of conditions," he says. "But things are improving. Now that Negroes are getting into the mainstream of American life they are better off."

Mr. Ringgold thinks newspapers and other publications project a distorted view of the Negro by giving the impression all residential areas are ghettos and all Negroes are militants.

"I am dead set against riots," he asserts. "It's an uprising of the younger generation. There is much hate around, but in my house I don't permit it."

Mr. Ringgold has two sons and



Clarence Ringgold, book company employee, says Negroes are moving into mainstream of American life.

says he has always tried to provide them with a decent home, decent church and decent school, Mrs. Edna Wade, a 73-year-old widow, maintains a cozy, immaculate apartment in a four-unit row house she owns not far from the Rowe Co. plant. She seems deeply religious and fiercely independent.

"I'm proud of what I have, and this is what a hard-working husband left to me," Mrs. Wade says. "He was a redcap all his life and in the Depression seldom brought home more than \$7 or \$8 a week. But he was a frugal man and he was not afraid to work."

Mrs. Wade is convinced more Negroes could improve their lot.

"I know that many Negroes could do more for themselves. They won't save and they don't manage. They've got to have their cigarets, their new cars and their whiskey."

Welfare, she insists, has made

"bums" out of people.

There may be some good motives behind welfare, but as far as I'm concerned, it's mostly political."

But militant speak louder

In cities rocked by riots the militant's voice rises above the voice of the average Negro citizen. These voices particularly were heard by the President's Advisory Commission on Civil Disorders. A few ex-

amples:

Piri Thomas, ex-convict, author of "Down These Mean Streets," and resident of Spanish Harlem in New York City: "You think the Civil War was bad? Oh, baby, this is going to be real bad unless white man, brown man, black man, yellow man, get together and really wheel and deal.

"These so-called disorders that erupted (in Harlem) were not just a sort of spontaneous event that came up out of nowhere, just a happening. It was an ugly head of despair, frustration, exploitation. hot and cold running cockroaches and king-sized rats, and crummy tenements and slum houses. It was an explosion from a long-burning fuse to a bundle of dynamite that had been slowly burning since I was a kid in East Harlem in the early Thirties.

"You can't expect people to live in abnormal conditions, in ghettos where out in the streets it is 90 degrees, and when you crawl back into that hole you call a home it is 120 degrees. You can't expect people to live with their hands stretched out. We don't want charity. We want the Goddam chance that belongs to all of us. This is our right as human beings."

A militant from Omaha, Ernie

Chambers:

"You celebrate July Fourth as Independence Day, because you stood up against the British Empire and told them to go to hell. Your ancestors committed treason, and you celebrate it now-and you were not treated nearly as badly as black people in this country. As Malcolm X said, we're catching more hell than Patrick Henry ever saw or thought of. Patrick Henry wouldn't have been able to take it.

"You can understand why Jews who were burned by the Nazis hate Germans, but you can't understand why black people who have been systematically murdered by the government and its agents-by private citizens, by the police department -you can't understand why they

hate white people."

To some witnesses the Negro role in history is distorted, but even more, unknown. Dr. Benjamin Quarles, professor of history at Morgan State College, Baltimore, explains:

"I want to make it very clear that when you deal with the Negro, you deal with 20 million persons, and there is nobody as individual-

istic as a Negro.

"But from some of the things we have done in history, I think you can get a picture of what this group has stood for in the focus of the American culture, the American experience. I submit this is an eyeopener when you see the real role of the Negro, not as a problem, not as external drag or liability, not as a member of this commission, even, but as a human being who has contributed to the sum total of the resources of American culture. Then

I think you will view every Negro differently and every minority group, too."

What the mayors say

The Commission heard, too, from some mayors of hard-pressed cities, communities which have experienced riots or are girding for trouble.

Said Mayor Henry W. Maier of Milwaukee, "There is no place to run, no place to hide to escape from responsibilities. The cities have the burdens of the poor and the burden of tax-exempt property and the burden of education. The suburbs take none of the really effective burdens of the poor.'

Mayor Thomas J. Whelan of Jersey City minced no words when he

"Not all rioters are poor, uneducated and unemployed or recent immigrants to the cities. Riots are not caused by social conditions. Riots may be prolonged and aggravated by these causes, but not started by them.

"Some say riots are caused by out-of-town agitators, another believes it is all part of the communist conspiracy; another blames anti-poverty workers; still another

blames clergymen.

"I believe we are dealing with a loose coalition of various elements under a string of different names, but all have a common denominator. That common denominator is their hatred for our nation and its democratic institutions."

And from former Mayor Theodore R. McKeldin of Baltimore comes the explanation that civil disorders "are not the disease but the symptom. The city must ask employers to take their fair share of affirmative action. The city must receive help from the federal government if bigger and more destructive riots are not to become a fact of urban existence."

Mayor Sam W. Yorty of Los Angeles, agreeing with a suggestion by President Johnson, pointed out:

Eventually facts are going to force us to provide employment for every person who is willing to work, and if they can't be provided with employment in the private sector, I think they ought to be employed immediately in the public sector.

Meanwhile, the majority of Negroes all over the nation are employed and living better each year, making their contributions to American society as are citizens of other END races.

DOES WASHINGTON FORCE RACIAL BIAS?

BY PAUL FANNIN U. S. Senator from Arizona

The EEOC already wrap EEO wields unprecedented discussion and, lawmaker warns, now wants still more

Jimmy Lee never got his promotion. His skin is the wrong color. Jimmy had to stand aside and let someone less qualified be promoted in his place because the federal government threatened to cancel contracts with his employer unless someone of another race got Jimmy's job.

Jimmy Lee is white.

His case is not uncommon—not since the advent of the Equal Employment Opportunity Commission. The names here are changed to protect the individuals, but the circumstances and details are shockingly real.

The Equal Employment Opportunity Commission came into being in mid-1965 as a result of Title VII of the Civil Rights Act of 1964. The five-man Commission was created to prevent unlawful employment practices. Instead it has undermined some of the most basic relationships between employer and employee. Now it seeks more power of enforcement to spread its influence even wider. I don't think it can be trusted with more authority.

EEOC's record is clear: Misuse of power, violation of the spirit and letter of the law, disruption of labor-management-union relationships. Let me be plain. I'm not against equal employment opportunities. I'm against granting EEOC, or anyone else, arbitrary powers over workingmen and their jobs.

So-called civil rights groups have wrapped themselves around this EEOC issue to the extent that any discussion of the problem immediately brings forth the cry of "racist."

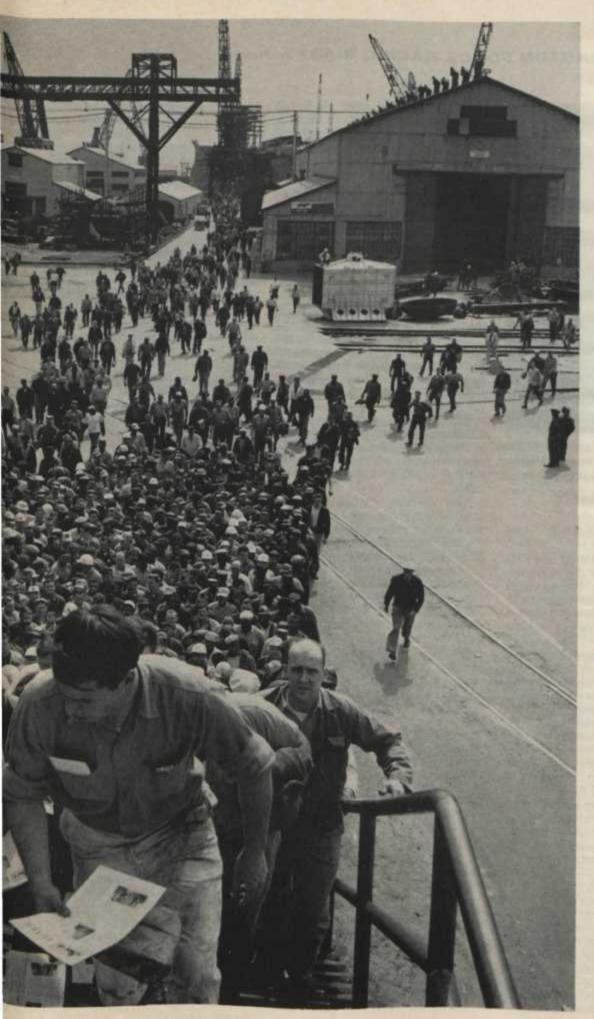
To my mind there is no more basic right than that of a man to provide for himself and those he loves with the smallest interference possible from government. That's what is involved in this issue.

I am disturbed that the EEOC has associated itself with extremist groups. One of the EEOC's former consultants (Timothy L. Jenkins) bills himself as a member of the staff of the Student Non-Violent Coordinating Committee—an associate of H. Rap Brown and Stokely Carmichael.

If this is the kind of person insuring equality of employment opportunities—then I want to be very

Employees troop from the Newport News Shipbuilding Co., where the EEOC's rulings have aroused the ire of workers and union officials.





NATION'S BUSINESS - MARCH 1968



Senator Fannin is a member of the Senate's Labor and Public Welfare Committee which is weighing a plan to give more powers to the EEOC.

careful about granting any additional powers.

The Commission got off to a rather shaky start under the chairmanship of Franklin D. Roosevelt Jr.
who assured me, and other members of the Senate Labor Committee, that he would devote his full
time and resources to the job. He
wrote a letter to Senator Javits of
New York stating that he had asked
specifically for a two-year appointment, taking him beyond June 1,
1967, so as to allay any fears Senators Javits and Winston Prouty
might have that he would quit to go
politicking.

"I will have to leave the day-today political activity to such eminent practitioners of the art as you, Congressman Lindsay and Governor Rockefeller," Roosevelt said.

Ten months later he quit to run for the governorship of New York. It was a bad beginning.

Picking a target

During its first year of operations the EEOC singled out the Newport News Shipbuilding and Drydock Co. as a likely target for its maiden effort. The company is located in the South. A defense contractor—the nation's sole supplier of capital ships—it had a well-developed program of apprentice training.

Jimmy Lee and other old hands at the shipyard heard news that the EEOC boys were knocking on doors, soliciting complaints about the company. They didn't think much of it. Of the 22,000 employees, 41 said they were willing to complain. It later narrowed down to only four. Armed with this "evidence," EEOC notified the company it was in violation of the Civil Rights Act and sat down to negotiate an agreement to stop the alleged discrimination.

Because it is a defense supplier, Newport News had already signed an agreement to take "affirmative action" in eliminating discrimination.

Soon the full array of federal power was focused on one company.

The Department of Justice notified the company it was holding up a pending case awaiting outcome of the negotiations.

The Office of Federal Contract Compliance under the Department of Labor notified the company all its defense contracts would be suspended pending the outcome of the talks.

The Defense Department was made a party to, and inspector of, the enforcement proceedings.

Small wonder that Newport News Shipbuilding "voluntarily" agreed to the compact which Commission spokesmen called a "landmark" case and a "model" for future agreements.

Jimmy Lee was soon to find out that his career in the shipyard, despite the fact that he belonged to a union, was out of his hands. He had exchanged the quiet of the southwest Virginia hills for the roar and excitement of heavy industry and progressed right out of high school through the shipyard's training program. He thought he was ready to go somewhere. He was next in line for promotion to quarterman. But he had reckoned without the EEOC.

Setting black against white

The agreement between EEOC and the company substituted favoritism as a goal. And in the words of one veteran welder, "did everything possible to set black against white."

Jimmy found that a preferential promotion list had been created with 100 Negroes on it. This list had to be exhausted before he could be promoted. Any exceptions to the order of placement had to be cleared with the Commission.

Jimmy got mad.

Others got mad, too. One of Jim-

my's friends who had gone through the apprentice school with him says, "They've ruined the school. It used to be there were more boys wanting to get in than they could take—boys who couldn't go to college, but wanted more training. Now they've lowered the requirements so much the teachers are quitting. They've converted the dormitory space back to offices and are having trouble getting enough to fill out the class."

Bone-cracking violence erupted at the main gate of the yard last summer and a score of people were injured. What caused these passionate outbursts in a placid town where the shipyard had operated for 81 years without disturbance?

Listen to these words in the EEOC agreement pertaining to enrollment in the apprentice school:

"The ratio of Negro to white apprentices in any given year should approach the ratio . . . of Negro to whites in the labor area."

And this about promotions:

"Vacancies will be filled by qualified Negro employees."

And this about training opportunities:

"Employees in predominately Negro departments shall be given the first opportunity to enter training programs in which they are qualified to enter."

Do you wonder that Jimmy Lee and his white friends got mad?

One of the first to protest the agreement was the union representing the 22,000 employees. Their position in employee representation had been entirely preempted.

Co-managers of the independent union, one a white and the other a Negro, have both been very critical of the EEOC's action.

At one time the union threatened to sue the Labor Department unless it set the record straight on the number of raises and promotions. The Labor Department claimed 3,890. The union and the company both contend raises amounted to about 155 as a result of the agreement, and 250 Negroes put on preferential promotion lists.

"Any time the Secretary of Labor will claim 3,890 promotions under an agreement that actually produced 155," said one of the union leaders, "I've got a lot of reservations about whether he should be Secretary of Labor."

The unions have a right to be upset about extending the powers of EEOC. The pattern of agreements emanating from the EEOC offices generally bears these four stipulations directly relating to union interests:

Would you fly in this rocket?

First, most of the EEOC agreements call for abolition of job seniority arrangements in labor agreements. They generally take plant seniority as the only nondiscriminatory yardstick. The practical effect is that a sweeper, for example, who has been in the plant a long time, must be promoted to the next supervisory opening in the rocket assembly shop, regardless of his training or job preparedness.

The commission attitude is, "You must try him, even if he isn't

trained."

How would you like a trip to the moon on one of those rockets?

Second, special treatment must be given to Negro employees who are found to be unqualified in their training or advancement.

Third, the EEOC generally calls for an end to all testing. It makes no difference if it is related to the job-the test must be "culturally validated." Ask any sociologist if you can culturally validate a test with less than a 100-man sample equally divided as to race and job experience.

Fourth, and most important to unions, the agreements usually call for a unilateral change in any union contract which is in conflict with any of the above proposals.

Pose legal problem

This creates a nice legal question. Does an employer have the right to break one law (the Taft-Hartley protections of collective bargaining agreements) and subject himself to NLRB action in order to obey the orders of the EEOC?

One company tells me it spends over \$1 million a year just trying to be in compliance with the multitude of often contradicting decrees handed down by government anti-

discrimination agencies.

One federal agency, in existence by executive order, is taking a completely dictatorial attitude with defense contractors. It is the Office of Federal Contract Compliance (OFCC) which hands down ironclad regulations to those doing business with the government.

The really frightening thing here is the lack of Congressional restraint upon their operations, plus the fact that there is no appeal from an

OFCC ruling. All this is even more fantastic when considered in the light of what the law actually says the Commission may and may not

Congress debated loud and long on the question of having an EEOC in the first place. There are plenty of statements on both sides of the aisle where both supporters and detractors agreed on things the law would not do.

Everyone agreed that setting employment quotas is not the right way to go about eliminating discrimination. Language specifically prohibited hiring or firing, promoting or holding back, just on the basis of race to fill out a percentage quota. Yet practically every agreement coming out of EEOC has some mention of the local area's Negro population and relates the employer's performance to that quota.

Setting quotas, while probably the most frequent violation the EEOC commits, is not its only sin. Congresswoman Martha Griffiths of Michigan spoke out plainly on the floor of the House after the EEOC had been in operation for about a year.

She roundly castigated the Commission for failing to enforce the antidiscrimination provisions in regard to sex and said:

"These EEOC officials are completely out of step with the President, the rest of the Administration. the courts and, indeed, the country as a whole."

She charged the executive director of the Commission with saying the sex provision of title VII was a "fluke" and "conceived out of wedlock." Mrs. Griffiths reminded the Commission that "they took an oath to uphold the law-not just the part of it that they are interested in."

You can get a better idea of the haphazard, hot-eyed approach to the law taken by representatives of the Commission if you'll follow this chain of events that occurred during an actual case. Names, places and dates have been changed.

How EEOC operates

Joseph Bedford operates a small manufacturing concern in the Midwest. He was on vacation last June when Jefferson Rank, a Negro, came in to ask about a job. So far as can be determined, he received courteous treatment from the receptionist in the personnel department, was told there were no openings at present either for employees or trainees, but offered an employment application to fill out and leave if he cared to. He didn't.

Now it's February and Mr. Bedford gets a call from his receptionist that a Mr. Sperlin of the EEOC is waiting to see him. He meets Mr. Sperlin and is promptly served a charge of discrimination dated the day before. It is signed by Jefferson Rank and sworn to before Mr. Sperlin. It's the first time Joe knows he's been charged with an unfair discrimination practice alleged to have happened last June.

Upon request he shows Mr. Sperlin around the plant and lets him talk to the personnel people. The manufacturer finds out he should be keeping records of applications, terminations, promotions, raises and the like for 180 days. He'd been throwing them away after 90 days. So far that's the only EEOC regulation he's been found negligent in. However, even if he had been keeping records for the stipulated time, Jefferson's application would not have been on file, since almost 270 days have passed.

Mr. Sperlin asks Negro employees if they are treated the same as white employees. He asks if the canteen areas or restrooms are segregated. Asks if personnel like working for their supervisor and Mr. Bedford. When they say, "Yes," he says, "Oh, that's too bad. I like to find people who aren't

happy in their jobs."

Mr. Bedford contains himself. Mr. Sperlin leaves saying he has found nothing wrong except the record-keeping time limit. Joe Bedford sighs.

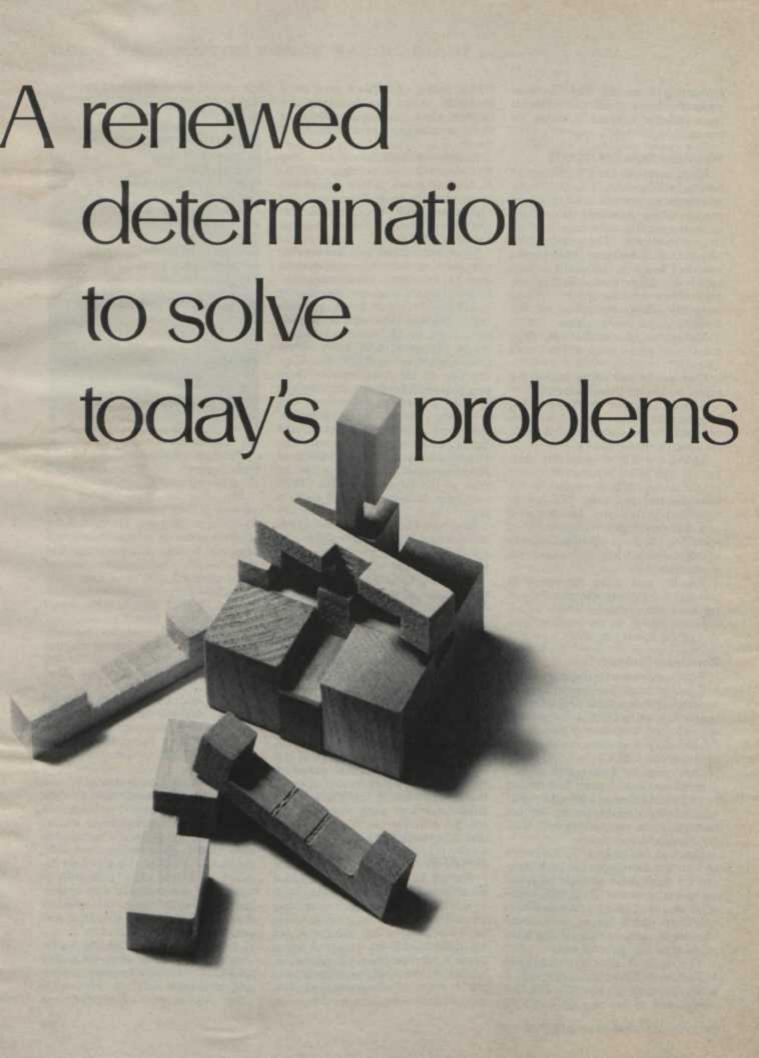
Seven and a half weeks later he gets an EEOC decision. It finds an unfair employment practice occurred in June, the charge filed in September and served on him in

February.

The Commission is squeezing the law a bit. A three-month limitation on making a charge is written into the law. It's supposed to be signed and sworn to. So the Commission says under questioning from Mr. Bedford's attorney (by now he's decided he needs one) that they've "adopted" the attitude that a written complaint fulfills the requirements of the law even though it was not sworn to.

Just like that-change the law.

A couple of months go by before an EEOC conciliator makes contact and arranges a meeting. Now it's a little over a year since Jefferson



Economic and social problems affect people, poor and rich alike.

These problems cannot be ignored. For the good of everyone, for the good of business—and certainly for the future of the country, they must be solved. But this is not wholly a job for the government.

The businessmen of America have always known this to be true, and have always worked on this basis. And right now, businessmen are renewing their determination to get at the causes of today's problems and to help eliminate the causes.

Sparking and encouraging this renewed determination is the National Chamber.

ACTION FORUMS AT

THE NATIONAL CHAMBER'S ANNUAL MEETING

At its Annual Meeting in Washington, April 28-May 1—to which you are cordially invited—the National Chamber will conduct TEN ACTION FORUMS on current economic and social problems.

These Action Forums will give business and organization leaders from communities in all parts of the country opportunity to discuss what is now being done to solve problems affecting people and what more can be done. The Action Forums are these:

MODERNIZING

STATE AND LOCAL GOVERNMENT

What is the precise role of business in strengthening state and local government—and in helping government deal effectively with public problems?

EDUCATION

How are teaching methods, school construction and school-system organization being improved through business - sponsored innovations—and what more can be done to advance this work in the field of education?

JOB TRAINING

FOR THE HARD-CORE UNEMPLOYED

What is business doing, and what more can business do, in a practical way to help relieve poverty through the promotion of job-training programs?

HOUSING

How can business clean up the slums, keep the

slums cleaned up, help provide needed lowincome housing-and reduce urban unrest? •

POLLUTION ABATEMENT

What progress is business making in cleaning up the environment in which we live, eliminating pollution of water, air and land—and what more can business do to help abate pollution?

CRIME

What is business doing, and what more can business do, to help rid the streets of crime and violence?

THE FUTURE OF

BUSINESS IN AMERICAN CITIES

What is business doing, and what more can business do, to mobilize community and organizational resources to identify and help solve the wide range of problems which today are plaguing every urban center? How can the future of business in American cities best be protected?

CONSUMER RELATIONS

What is business doing, and what more can business do, to prove to America's 200 million consumers that competitive enterprise still offers the best route to a better life?

EXPORT EXPANSION

The world over, there are markets—and profits for American businessmen. How can these markets be found and developed through international trade?

LABOR LAW REFORM

What is business doing, and what more can business do, to bring about needed reforms in onesided, pro-union federal labor laws?

WRITE FOR INFORMATION

Speakers at the National Chamber's Annual Meeting, as in other years, will in-

clude foremost national leaders in business and government. Write for detailed information about the program, and for a registration form and a hotel reservation form.



CHAMBER OF COMMERCE OF THE UNITED STATES / WASHINGTON, D.C. 20006

Rank first entered the manufacturer's reception room.

Mr. Bedford and his attorney face the conciliator. Most of the agreement he wants Joe Bedford to sign is standard civil rights language but there are some real stunners.

The list of demands

EEOC wants Mr. Bedford to hire Jefferson Rank as a trainee and pay him minimum wage back pay from the time of his alleged application.

EEOC wants him to employ, train and accept the applications of the next 75 Negroes referred to him by a civil rights organization. The figure is determined by taking the percentage of Joe's work force that's Negro and comparing it with an (inflated) percentage of the area's Negro population in the labor market.

EEOC wants Joe Bedford to agree to hire Negroes for the next five white-collar jobs. And he must upgrade at least three Negroes to supervisory positions within three

months of the agreement.

On top of this, for two years Mr. Bedford has to report, quarterly, to the Commission everything he's doing that pertains to both his white and Negro workers. He can't promote anybody who is not a Negro unless he gets prior EEOC approval. All refusals of Negroes to take higher jobs must be documented in writing and sent to the Commission.

Mr. Bedford and his attorney managed to trim some of the rough edges off these demands, but he signed an agreement—even though he had done nothing wrong. The plant is located in a town that has lots of militant civil rights activity and he decided he didn't want pickets pounding on his door.

Whether Mr. Bedford got off lucky or not, we don't know. If proponents of additional enforcement teeth for the EEOC get their

way, he probably did.

Reasonable negotiations would be harder to come by. The Commission will get the power to enforce its decisions based on "evidence" which it chooses to credit.

Could the same thing happen to you as an employer, or employee? It not only could—it probably will.

Under the proposed setup for EEOC, the practical effect would be presumptions of guilt. An examiner's "evidence" is deemed to be conclusive. You'll have to prove yourself innocent. The roles of policeman and judge are combined, and a single EEOC employee could conceivably issue his own cease and desist orders.

We've probably made a mistake in describing EEOC desired enforcement powers as "NLRB-like." The National Labor Relations Board has an independent General Counsel who must apply to the courts for authority to issue cease and desist orders. Under the new setup, EEOC appeal procedures would be practically useless. The NLRB was originally set up along the lines proposed for the EEOC. The ensuing mess was atrocious and the present limitations on the NLRB were devised.

Granting cease and desist powers to the EEOC, as the present legislative proposal would do, will deprive you of your day in court. The Commission may find you in violation, issue an order for you to cease and desist.

No testimony need be taken. No independent investigation to establish "substantial evidence" of violation need be conducted. The full power of the Commission may be delegated to a single Commissioner, or even to an individual employee.

This amazing concentration of

power is without precedent.

The Commission has made much of the plans it has for submitting all types of job employment "patterns"—quotas on a large scale—to the computer. Already it has held a fishing expedition down South into the textile industry and received criticism from conservative and liberal alike.

The EEOC trotted out the familiar percentage figures again and flogged the industry, causing the liberally oriented *Charlotte Ob*server to comment editorially:

"If the larger purpose was actually to get something accomplished about equalizing employment in textiles, we are persuaded this was not the best way to go about it."

Trial by headlines

EEOC's public forum in New York in January, headed by Chairman C. L. Alexander, produced much more heat (and headlines) than light.

Blue-chip corporations were disdainfully put under the public microscope and, of course, found lacking as EEOC denunciations about "tokenism" and other catch phrases flew through the air.

At one point Mr. Alexander asked

the president of one of our major airlines how many pilots were Negro. When told that only one out of 420 stationed in New York was, the EEOC spokesman demanded, "Are you satisfied with that?"

I would like to ask that Commissioner if he would care to fly on a plane in which the crew had been selected by race rather than ability? I'll take my flight crews promoted on the basis of skill.

The discouraging thing is that, even for those who have no civil rights ax to grind and would genuinely seek to live up to the Commission's wishes, it becomes impossible under the present approach, for the rules are changed so often.

If you get your total work force in balance with some particular percentage figure, then you find your managerial staff is out of line. Should you get that taken care of, the base of your percentage population figure is changed to make your quota still higher. It's a game nobody wins.

Let there be no mistake, I am for equal employment opportunity. But in substituting favoritism, we are

not correcting anything.

Thomas Jefferson said, "All men are created equal." We cannot then come along with legislation and make some men more equal than others.

The outlook

What is our legislative situation now?

Senator Clark of Pennsylvania has introduced a bill that would give broad enforcement powers to the EEOC or an individual employee of the Commission. Basically these would be the same type powers residing in the National Labor Relations Board, with only limited appeal.

The bill is cosponsored by Senator Javits of New York. It is before the Labor and Public Welfare Committee on which I serve.

It is almost impossible to keep the bill from seeing floor action, unless the public really expresses itself to the Congress.

If people become aware of the strong influence that militant elements will have over their businesses and their jobs should this bill pass—then we can muster the strength to stop its extension.

Otherwise we are forging another link in the chain that can ultimately enslave this republic. END



DANGER SIGNS FOR AMERICA'S INVENTIVE GENIUS

Robert Ingersoll, board chairman of Borg-Warner, describes how our patent system could be changed

Ever since George Washington signed a bill on April 10, 1790, to "promote the useful arts" the property rights of American inventors have been zealously protected.

These rights encourage him to develop his invention for commercial purposes. They give him time to start a business, even create a new industry.

Through the years the American patent system has helped spur industrial development and economic growth. No nation on earth has capitalized so successfully on its inventive genius or on its ability to convert the products of invention into economic progress.

A "technology explosion" is sweeping the country, heaping new burdens on the U. S. Patent Office. A Presidential Commission on the Patent System has made recommendations for change. The Administration has asked Congress to overhaul the patent system. Congressional hearings were held in 1967, and are being resumed this year, before the Senate subcommittee on patents, trademarks and copyrights and the House subcommittee on patents. A controversy is boiling up.

Big business and small business, as well as the inventor and the public, all have a stake in the proposed patent system changes.

A major industrial giant, the Borg-Warner Corp. of Chicago, whose products range from chemicals and air conditioning equipment to plastics and nuclear pumps, is typical of businesses eyeing all proposals to alter the patent system. Robert S. Ingersoll, chairman and chief executive officer of Borg-Warner, gives his views on the subject in the following interview with NATION'S BUSINESS:

Mr. Ingersoll, Congress is in the process of making changes in the American patent system. In your opinion, does it need to be modernized?

Our patent system has brought great benefit to the United States over the years. Any changes we make should not lose the benefits that have contributed to our industrial superiority around the world.

Improvements could be made to administer it more efficiently.

The volume of business the Patent Office handles today is much greater than 10 or 15 years ago, and it hasn't increased its staff proportionately.

How does patent protection spur research?

If an invention is discovered and can be patented, then the inventor or the corporation has a period of time in which to recover the investment he has made, not only in the invention period, but in the commercialization period, too.

What changes do you feel are necessary?

I think one of the most desirable changes would be to take the time of filing as the time that a patent is considered to begin its life rather than the date of issuance.

We have cases where a patent may be in interference (where competing inventors contest a patent award) that extends the life of the patent too long and precludes its being available to the general public for that much longer.

At the present time it takes on the average 30 months from filing to issuance even without any interference

If there is interference, it might be extended for 10, 15 years. So the actual patent life may be 32 years, instead of the 20 years now suggested.

The present rule says the patent has 17 years after issuance.

The Presidential Commission on the Patent System suggests a 20year life from the date of filing, which I think is desirable.

What is your opinion of the Administration's patent bill? I believe it has a serious weakness—the first-to-file principle that they want to apply.

Under existing law the patent is issued to the "first inventor" which means the person who first makes it known that he has a new invention. The Administration wants to give the patent to the inventor who first files a patent application, even though he may not be the first to invent.

This can cause, particularly to individual inventors and to small businessmen, costs that they really can't afford. It requires that every particular, even minor details of a development, be filed immediately for fear that they won't be the first to file and, therefore, won't be called the inventor. So they keep filing segments of the invention before it is fully developed.

They also may spend a great deal of time on paper work when they could be inventing and doing development work.

Are there any other disadvantages in the first-to-file concept as opposed to the first to invent?

Under the first-to-file approach, the first to file may not really be the first inventor. This is most serious.

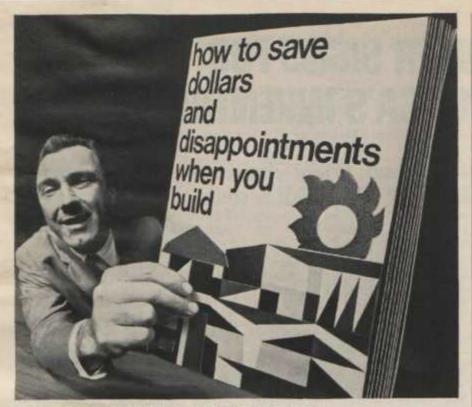
The small inventor, for example, may have invented something he hasn't taken the time to file. A huge corporation may get the invention patented because it has the people to do the paper work and processing and has the ability to file more quickly if it should come up with the same invention.

So the greatest disadvantage would be to the small inventor?

And, I think, to the general public, because all the creative talent isn't in the corporation research centers. There is still a lot in individual inventors.

What is your opinion of the patent bill offered by Sen. Everett Dirksen?

I think it more nearly fits what



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DANGER SIGNS FOR **AMERICA'S INVENTIVE** GENIUS

continued.

business believes should be done to modify the present patent law, including the 20-year life from date of filing.

It permits the public to raise a question about a patent prior to its issuance. The patent would be published before its issuance and the public, any person, could file objections or say, "We have prior right on this."

Under the present system there is no knowledge until action is taken by the Patent Office.

Wherever you can bring to bear the general knowledge of the public into a patent before it is issued, you make it much stronger.

What about the government's taking title to a patent?

In government agencies where they keep title to the inventions, they say they turn it over to the general public. Actually means everybody. So nobody will commercialize it.

What do you think of the argument of Sen. Russell Long of Louisiana that where any part of government money touches research, all of the rights should remain with the government?

I have a great regard for Senator Long, but not in this field.

I don't think he understands that the people of the United States would be better off if the government would give an exclusive license to a corporation, even if they paid for it, because the corporation would be prepared to make the investment required to commercialize the invention.

It takes hundreds of times more money to commercialize a product than it does to invent it.

The corporation or the entrepreneur is not going to spend this kind of money unless he sees an opportunity to recover the early investment over a period of time. This is what I think the patent system has done for our country.

I think we are technological leaders of the world, and I think our patent system has a lot to do with that.

What is the attitude of business as a whole toward changing the patent system?

I think most businesses favor measuring the patent life so that it expires 20 years from the filing date. But generally they are against

Lombardi Lucky?



It's a lucky thing for Lombardi that there are rough, tough clubs like the Colts, the Cowboys and the Bears around the league.

Without them, his Packers wouldn't be the great club they are.

Greatness, after all, is the rarest commodity on the market.

It isn't something you're born and raised with. It's something you rise to—against the stiffest kind of competition.

A simple fact of life, you say. True in sports, or school, or business, or industry.

Funny thing, though ... there are people around today who just don't buy that point of view when it comes to business.

They think there's too much competition in the marketplace. Too many brands in the sporting goods store, for instance. Too many manufacturers fighting each other to sell you something.

They'd like the government to take steps that would eventually lead to fewer brands in the stores, and therefore, less competition.

But, they forget that restricting competition is not the way this country got great.

It is competition that produces the endless innovations in our marketplace . . . that creates whole new industries . . . more jobs . . . that makes the Packers the greatest.

Say . . . can you imagine Lombardi's reaction when somebody tells him the referee is going to call his plays for him?

And he can't average 241 in the line because the Colts average only 233?

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DANGER SIGNS FOR AMERICA'S INVENTIVE GENIUS continued

elimination of the present one-year grace period and the first-to-file feature.

Now you can publish and have a year's grace period in which to file your patent.

Our present patent system is geared to who was really the first to invent, rather than who was the first to file.

The Presidential Commission operated in secret until the members published their report. So there wasn't a chance for many of the people who will be affected by their recommendations to comment.

For the bill resulting from the Presidential Commission to be enacted without a hearing would be a great mistake. Let's not throw the present system over without a proper hearing.

What about any need for compatibility with foreign patent systems? I frankly think that it would be better for the industrial world if the other countries followed our system rather than our following theirs.

Why are some 60-odd countries on a first-to-file basis while only three, including the United States, on a first-to-invent basis?

My own belief is that the preponderance of numbers is not on the right side. I think our own record proves that our system is probably superior.

There is another problem in the system some foreign countries use and that is recommended by the Presidential Commission. They believe that any knowledge of a patentable device anywhere in the world should be considered prior art.

This world is a pretty big place, and for a small businessman to investigate what is known in all areas around the world is practically impossible. It is difficult to do even in the United States.

What about the insistence in many foreign countries that an inventor must put his invention to work in a stipulated time or lose his right to it?

It may be desirable to have an incentive to commercialize a patent once it has been filed or issued rather than have someone sit on it. But I believe it is more desirable to have the inventor retain the full right to exploit it, and maybe sell it to somebody.

The desirability of an invention isn't always seen immediately. I don't think the public is going to get the benefit from an invention unless somebody is protected during the period of time it takes to commercialize the product. END

Advertisers in this issue · March 1968

	Page
Addressograph Multigraph Corp. S22,	823
The Gruwuld-Eskleman Co., Cicceland	
Actna Life & Casualty	. 31
Air Express, Division REA Express Ketchum MacLeod & Grave, Inc., New York	
American Cyanamid Co	. 23
American Telephone & Telegraph Co. Business Management	4, 5
Armstrong Cork Co., Building Products Div Cov. Butten, Barton, Duretine & Geborn, Inc., New 1	er 3
Association of Industrial Advertisers	.815
Avis Rent A Car System, Inc	. 19
Bankers Box	. 53
Beyant Mfg. Co	. 67
Bureau of Business Practice	. 1
Cadillac Motor Car Div. General Motoss Corp. Hac Manus, John & Adume, Inc., Bloomfield Hi	9
Cash Register Sules, Inc	
Cel-U-Dex, Inc Briggerif Manor	
Chevrolet Motor Div.	
General Motors Corp., Truck	. 55
Chrysler Div., Chrysler Corp Young & Subjects, Inc., Betratt	. 51
Corry Jamestown Corp	. 87
Cory Coffee Service Plan, Inc	
Dixisteel Buildings, Inc	. 12
Dust-Tex	.S18
Eberhard Faber Pen & Peneil Co Al Paul Leitus Co. Inc., Philodriphia	.811
Electric Wasteliasket Corp Channel Advertising Agency, New York	
Eleuthera Island Shores	. 18 date

Page
Ericsson Centrum, Inc
Evinrade Motors, Division of Outboard Marine Corp Cover 2 The Cramer-Rennell Co. Milwaukee
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National Office Products Association S29
New York Life Insurance Co 13 Compton Advertising, Inc., New York
New York State Department of Commerce Industrial Development
North American Philips Co

Page
John Nuveen & Co
Nye Products, Inc
Oldsmobile Div., General Motors Corp. 59 D. P. Bruther & Co., Detroit
Olsten Temporary Services
Oxford Filing Supply Co
Paillard, Inc
Pascoe Steel Corp 27 Sophart, Laurit & Denn, Los Angeles
Pitney-Bowes, Inc
Plymouth Div., Chrysler Corp 32 Found & Rubleam, Inc., Delruit
Ranco Industrial Products Corp 58
Registre, Inc
Royalmetal Corp
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TRENDS: TOMORROW'S BUSINESSMEN

Source of modern-day Tom Edisons

BY WILBUR MARTIN

Young Tom Edison might have trouble with some of the terminology used by contemporary junior scientists, but he'd have no problem finding enthusiastic teen-agers to share his visions of a brighter tomorrow.

The climax for thousands of high school students who have labored long on exotic projects comes this month in Washington when finalists in the Westinghouse Science Talent Search compete for thousands of dollars in scholarships and in Detroit in May at the nineteenth annual International Science Fair, which Westinghouse also helps support.

On past performances, every winner (and almost every participant) will go on to college, better than 40 per cent will become college professors and nearly a quarter will go directly into industry, often as research scientists. Many will achieve international recognition and the highest tributes in their fields.

For business, which has been extending enthusiastic cooperation for years, the rewards are great both in satisfaction and in expanding the ranks of technological and scientific personnel.

What engages the interest of these youthful scientists? Past Science Fair winners included projects in such subjects as:

Developing the potential versatility of dimethyl sulfoxide.

Studies with interferometer.

Protection against radiation death,

Open heart surgery.

Mechanism of protein synthesis.

The problem of ion transfer in sugar,

The Science Talent Search is supported fully by the Westinghouse Electric Corp. Educational Foundation and most awards in the Science Fair are contributed by industry associations.

Both are administered by the nonprofit Science Service, dedicated to popularization of science among young people through science clubs and a variety of youth activities.

These youngsters have more than a flair for science and their performance in later life bears this out.

Westinghouse has given approximately a half-million dollars in scholarships since it started its Science

Mr. Martin, author of this month's column, is an associate editor of NATION'S BUSINESS.

Talent Search. Thousands who have participated in the Science Fairs have won scholarships within their home states and regions.

Most of those young people who have participated in the Science Fairs and talent searches give the programs a big share of credit for later success.

The first boy winner of the Science Talent Search was Paul E. Teschan. This was in 1942. He went on to become a leading authority on kidney ailments and to command a U.S. army medical team that established a new laboratory in Saigon.

The girl talent winner in 1942 was Marina Prajmovsky, who became a specialist in eye disorders.

Many winners have gone on to successful careers in industry and business.

Dr. Dominic B. Edelen headed the dynamics group on Project Vanguard at the Martin Co.

Terrell Feistel became an aerodynamicist at Lockheed Aircraft Corp. and Robert Fallstrom an engineer for Douglas (now McDonnell Douglas) Aircraft Corp.

Mrs. Melicent Chutkow became a biochemist at the American Meat Institute.

Dr. Andrew S. Kende, class of '48, went on to head the theoretical organic chemistry section at Lederle Labs, a division of American Cyanamid Co.

Many others have made great contributions to society.

Almost all of the talent winners chose some branch of science as their major field of study, with interests equally divided between the physical sciences and the biological sciences.

The idea for the Westinghouse Talent Search sprang from a luncheon gathering of four people in 1941: G. Edward Pendray of Westinghouse; Dr. Harlow Shapley, then director of Harvard Observatory; the late Watson Davis, director of Science Service, and Miss Margaret E. Patterson, formerly of Science Service. They had met to decide how a fund available from the company could best be spent to aid young scientists.

The Science Fairs before 1950 were largely on a regional basis. Since then, the international meetings have steadily grown and the number exhibiting in the finals has climbed into the hundreds. An estimated four million persons saw exhibits of the young scientists last year at all levels of competition.

A SAVING

Bulging relief rolls cost us \$7 billion a year.

Unemployment compensation costs us \$2 billion a year.

Lost sales, because the unemployed can't afford to buy, cost us maybe \$15 billion a year.

Private charity to the poverty-stricken exceeds \$10 billion a year.

Yes, taking care of the jobless is tragically expensive in dollars, to say nothing of the loss in human values.

That's why so many businessmen today are bending over backwards to hire hard-core unemployed.

They figure they're saving both dollars and hu-

Nation's Business

March 1968

MORE THAN 815,000 SUBSCRIBERS IN BUSINESS AND INDUSTRY

To achieve total environmental control, everything must work constantly to enhance man's activities, not just support them. His working area must function, not merely enclose. And probably no area can make a larger contribution to environmental control than the ceiling. For here you find the most logical place to house functions such as lighting, air distribution, acoustical control, and fire protection.

But this Armstrong C-60 Luminaire Ceiling System goes far beyond housing diverse functions. It has been imaginatively engineered to combine all these operations in a boldly original, single system that performs its tasks with new highs in overall efficiency.

Take lighting as an example. The unique, V-shaped lighting modules have far more reflective surface than conventional fixtures. They deliver more of the light they generate down to the working level. Conse-

quently you achieve the desired in-

tensity of light with fewer lamps,



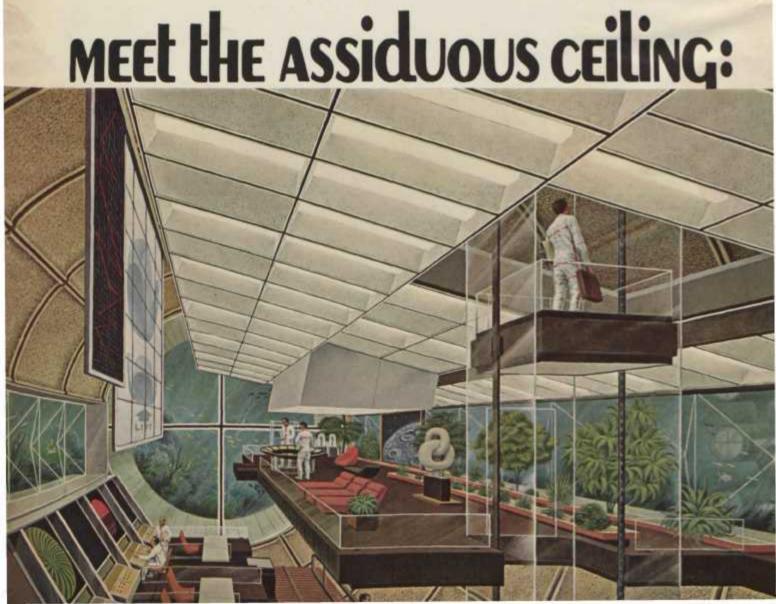
Here, on a continental shelf, is an imaginative glimpse at what a corporate headquarters might look like in years to come. On the balcony level at the right, comfoctable lounges await visitors, and a key executive's office, complete with a "think-wask," allows visual access to the workings of his managers, below. Mechanical walkways carry personnel to various locations within the structure. Other conveyances speed from one unit to another within the undersea complex. This totally controlled environment will successfully house many people using diverse forms of electronic technology.

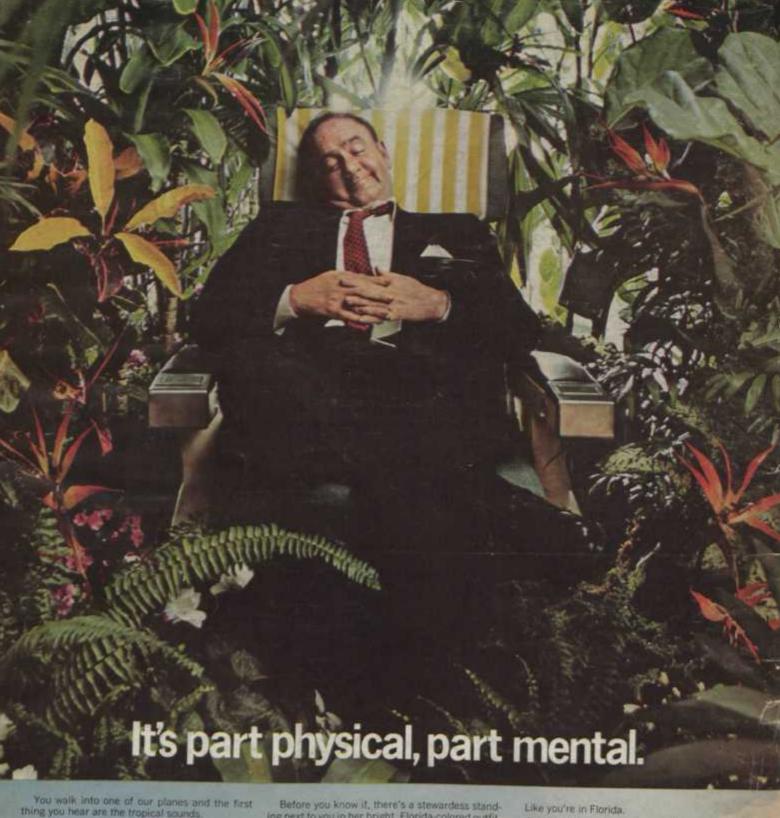
fewer replacements, and less wattage. And you don't have to contend with harsh glare or unnatural shadows.

In air distribution, the ceiling system operates on another more-foryour-money concept. Conditioned air can be fed into a room through thousands of perforations in each ceiling panel. It enters silently, evenly, and without a suggestion of draft. Or, depending on your needs and structure, air may enter the room from linear diffusers built right into the ceiling's suspension system . . . so as not to intrude on Luminaire's striking good looks. With flexibility like this, air distribution can be tailored precisely to your needs—often at a significant saving over conventional methods.

The efficiency story goes on into the areas of acoustical control and rated fire protection. But you know the basic premise. By fusing these functions into a bold, new single system, the Luminaire Ceiling System does more work to create a total environment at an overall lower cost. It also offers endless design possibilities in combining lighting modules with flat panels. A copy of our booklet "How to get more useful work out of a ceiling . . . and save money doing it" will give you a lot more details. Ask for it. Write Armstrong, 4203 Mercantile Street, Lancaster, Pennsylvania 17604.

Armstrong





That's enough to start you going

You get to your seat. A seat with yellow and white stripes that looks like a cross between an airplane seat and a beach chair.

You sit down.

ing next to you in her bright, Florida-colored outfit.

She gives you a sun reflector, of all things.

Then she serves you Florida foods, Florida drinks. Etcetera, etcetera, etcetera.

And by now you should be getting the idea: What we've done is put a lot of the good things of Florida into our planes.

But, as nice as these things are, they're only part of the story.

There's the mental part, too. The way all these physical things make you feel.

For reservations see your travel agent, or call National Airlines.

is this any way to run an airline? You bet it is!

National turned Florida into an airline.